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A  
HANDY GUIDE  
TO  
SAFE INVESTMENTS



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A

HANDY GUIDE

TO

SAFE INVESTMENTS;

FORMING A

POPULAR AND PRACTICAL TREATISE UPON THE NATURE  
AND CHARACTER OF PUBLIC SECURITIES;

SHOWING THE

SEVERAL DESCRIPTIONS, WITH THE MODE OF TRANSACTING  
BUSINESS AT THE STOCK EXCHANGE, ETC.

BY

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## PREFATORY NOTICE.

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SEVERAL important and valuable works already exist, which elaborately discuss the extensive subject of internal and foreign monetary relations. Among the most reliable of these are Fortune's "Epitome of the Funds," which has passed through seventeen editions, and "Fenn on the Funds," also a deservedly esteemed work. There was, however, wanting a treatise on the various markets for investment sufficiently succinct to be handy as a work for popular reference, and yet explicit enough for all practical purposes, even for those engaged more or less in financial operations.

Such a work, it is confidently believed, the present will prove. It will be found that the origin and present position of the several Government Securities are explained; that the Foreign Funds are particularized for easy reference; and that a chapter has been devoted to the important subject of Railways, a field for investment which is daily becoming more extended. Joint Stock Banks have also been introduced in a manner sufficient for the intended purpose.

In seeking investments, perhaps the chief difficulty is rather to know what to avoid than what to select. Throughout the present little volume attention is frequently directed, although incidentally, to those so-called Securities which are deservedly condemned by those who are well acquainted with the Money Market. To all intending investors, however, a word of advice is offered, which will be endorsed by every one who has had occasion to purchase or sell Government or other Securities. It is simply this: that application should always be made in the first instance to an established and recognized stock and share-broker. The small expense thus incurred is always well laid out, in the saving of trouble and annoyance, and more often than not of serious loss.

CAPEL COURT, BARTHOLOMEW LANE,

*June, 1860.*

## CONTENTS.

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ACCOUNT days, 38, 42	Belgian Two-and-a-Half per Cents., 54
Alcabala, 89	Belgian Four-and-a-Half per Cents., 54
America, revenue of, 101	Bonds, 134
American debt to Mexico, 91	Brazilian debt, 57
American securities, 102	Brazilian Five per Cents., 55
Annuities for terms of years, 26	Brazilian New Five per Cents., 55
Attachment of funded property, 13	Brazilian Five per Cents. (1843), 56
Austrian Five per Cents., 52	Brazilian Four-and-a-Half per Cents., 56
Austrian Five per Cents. (1823), 53	Brazilian Four-and-a-Half per Cents. (1858-59), 56
Backwardation, 39	Broker ( <i>see Stockbroker</i> )
Balances of the public money, 48	Budget of France, 63
Bank Charters, 17, 19	Buenos Ayres Six per Cents., 74
Bank of England, branch establishments of, 17	Buenos Ayres, revenue of, 75
Bank of England, history of, 16	Bull, 39, 42
Banks, foreign, 121	Canada guaranteed debt, 50
Banks, Joint-stock, 116	Chancellor of the Exchequer as a borrower, 5
Banking, limited liability in, 118	Chilian bonds, 75
Bank post bills, 18	Chili, revenue of, 77
Bank stock, 27	Coin and Bullion, 18
Bear, 39, 42	

Columbian debt, 84	Exchequer Bills, 15, 28
Commission agent, 41	Exchequer Bonds, 15, 30
Commission brokers, 9	Ex Coupons, 40
Contango, 39	Ex-dividend, 40
Continuation, rates of, 39	Executors, 11
Cuba Six per Cents., 86	Expenditure, 43
Cuba, revenue of, 87	Foreign banks, 121
Danish Three per Cents., 57	France, loan-contracting in, 61
Danish Five per Cents. (1849), 58	France, revenue of, 63
Danish Five per Cents. (1850), 58	French Bank shares, 63
Debt, National, 1	French rentes, 60
Debt, unfunded, 6	Funding, 4
Dividend days, 18	Funds, the, 3, 7
Dividends, 9	
Dutch Two-and-a-Half per Cents., 59	Government as a borrower, 4
Dutch Four per Cents., 59	Greek Five per Cents., 65
East India Bonds, 32	Guatemala, debt of, 88
East India Company, 15, 32	Guatemala Six per Cents., 87
East India Four per Cent. Debentures (1858), 33	Holidays, 15
East India Four per Cent. Debentures (1859), 34	Holland, revenue of, 60
East India New Five per Cent. Loan, 31	Income, public, of United Kingdom, 46
East India Four, Five, and Five-and-a-Half Rupee Stocks, 34	India bonds, 15
East India Stock, 14, 31	Instalment, 38
Ecuadorian Agency, 86	Joint-stock banks, 116
Ecuador One per Cents., 84	Land warrants, 84
Egypt, tribute of, to Turkey, 93	Life annuities, 14, 27
Equity Courts, jurisdiction of, 12	Limited liability, 118
	Loan-contracting, 5
	Loans, public, 4
	Long Annuities, 5
	Long Annuities (1885), 25
	Mexican Financial Agency, 90

Mexican Three per Cents, 89	Railway bonds, 107
Mexico, debt of, 90	Railway capital, 106
Mines, foreign, 125	Railway coupons, 108
Mining securities, 123	Railways, 106
Money market, changes in, 29	Railway shares, 109, 112
National Debt, 1	Railways, foreign, 109, 112
National Debt Office, 10, 28	Reduced Three per Cents., 22
National Debt, Commissioners for Reduction of, 28	Revolution, great, public debt at the, 2
Neapolitan Five per Cents. (1824), 66	Russia, revenue of, 72
Neapolitan Five per Cent. Rentes, 66	Russian inscriptions, six per cent., 70
New Granada One per Cents., 82	Russian metallics (1820), 70
New Two-and-a-Half per Cents., 21	Russian metallics (1832), 71
New Three per Cents., 23	Russian metallics (1833), 71
New Three-and-a-Half per Cents., 24	Russian Three per Cents. (1859), 72
New Five per Cents., 24	Russian Four-and-a-Half per Cents. (1850), 71
Notes, issue of, 19	Russian Five per Cents. (1822), 69
Omnium, 37	Sardinia, revenue of, 95
Peru, revenue of, 97, 100	Sardinia Five per Cents, 95
Peruvian bonds, 97	Scrip, 37, 132
Peruvian liabilities, 100	Securities, English, 14
Peruvian securities, 97	Securities, foreign, 50
Portugal, debt of, 67	Shares and Stocks, 109
Portuguese funds, 68	South Sea Annuities, 24
Power of attorney, 11	South Sea Commutation Act, 21
Preference Railway shares, 113—115	South Sea Company, 3
Public Revenue and Expenditure, 43	South Sea stock, 24
Quotations, 37	Spain, revenue of, 74
	Spanish American bondholders, 75
	Spanish certificates of coupons unfunded, 73

Spanish passive stock, 78  
Spanish Three per Cents., 73  
Spanish Three per Cents., new  
    deferred, 73  
Spanish securities, 72  
Speculating, 42  
Statistics of United King-  
dom, 43  
Stockbroker, written instruc-  
    tion to, 8  
Stock Exchange, 8  
Stock Exchange regulations,  
    126  
Stock, fluctuations of, 38  
Stock-jobbers, 4  
Stock-jobbing, 40  
Stock, public, 6, 12  
Stock, purchase and sale of,  
    10  
Stocks, rise and fall of, 6  
Sweden, revenue of, 97  
Swedish Four per Cents., 95  
Swedish Four-and-a-Half per  
    Cents., 96

Technical terms, 36  
Three per Cent. Consols,  
    21  
Time bargains, 40, 42  
Transfer, 9  
Transfer days, 13  
Transfers, private, 15  
Treasury Commissioners, 30  
Trustees, 11  
Turkey, revenue of, 93, 94  
Turkish Four per Cents.,  
    93  
Turkish Six per Cents., 92  
Turkish Six per Cents., 1858,  
    94

Unclaimed dividend book,  
    9

United States (*see America*)

Venezuelan securities, 77  
Victoria Railway Loan, 52

West India relief loans, 51

## THE NATIONAL DEBT.

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AN elaborate history of the great debt which for nearly two centuries has continued to occupy the studious hours of financiers, statesmen, and political economists, and which bids fair yet to engross a large share of public attention, will not be required. It is one of those subjects which cannot be briefly analyzed, and which superficial discussion tends rather to mystify than to unravel; but though the limits of a popular treatise are inadequate to a complete examination of the whole topic, there are yet certain general principles and leading features which may be explained with sufficient accuracy for the purpose of general reference. This will now be concisely accomplished.

The national debt, or the public debt of Great Britain, is composed of distinct items:—Funded Debt, arising from the contraction of loans or the funding of securities; Annuities for Life, or terminable at specified periods; and Unfunded Debt, which consists of Exchequer Bills and Bonds.

The system of funding is said to have originated with the Venetians in the twelfth century, and it is found that money, through public funds, was raised

by the powerful family of the Medici, at Florence, in 1340. The operation may be curtly described as a mode of anticipating income from the ordinary sources of public revenue, by the aid of private capital lent on the security of the national faith and the stability of public institutions. The English national debt, which is principally funded, dates no further back than the Revolution of 1688—that great struggle between crown and people, which ended in the subversion of undue prerogative on the one side, and in the consolidation of constitutional liberty on the other. At the commencement of the Revolution the public debt was less than one million, but during the reign of William III. it was augmented to 15 millions. During the reign of Queen Anne some 38 millions in addition were contracted, so that when George I. came to the throne the public debt was upwards of 54 millions. The first two Georges reduced the national debt, but their successor amply made up for previous reductions. A succession of wars—war with France, with Spain, and America, among other states, caused enormous demands upon the national finances. At the outset of the American war, in 1775, the national debt was upwards of 128 millions; while, at the conclusion of that war, it had reached 249 millions. The most alarming addition, however, to the national debt was made during the prosecution of the war with France, when 601 millions were added to the account. The highest point which the debt has ever reached was on the 1st of February, 1817, when the exchequers of England and Ireland were consolidated. At this

period it had arrived at the sum of 865 millions. Since this date there have been considerable fluctuations; but on the whole there has been, however, a tendency towards reduction. It now represents as nearly as possible 800 millions.

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## THE FUNDS.

This term is the generic appellation of the various funded debts which form the chief portion of the national debt. Popularly speaking, the origin of the funds may be said to be coeval with the establishment of the Bank of England in 1694, and the subject will be found more fully referred to when treating of that institution. The first funded account established by authority of Government, however, was that of the South Sea Company. In 1711 the proprietors of certain Government debts, amounting to nearly 10 millions, were incorporated into a company for trading to the South Seas. The creditors of Government, owing to the irregularity of the receipt of their claims, urged the authorities to come to some definite arrangement, the result being that they agreed that the debt for the future should bear an interest of 6 per cent. per annum, reserving the right of redeeming the capital after 1716. The plan captivated the public by its novelty, and ruinous speculation was the result. Almost all the wealthy persons in the

kingdom became stock-jobbers and speculators in the scheme, and the extravagant promises of the directors added to the excitement, till at last the “bubble,” as it is familiarly called, exploded in 1720, ruining thousands, notwithstanding the estates of the directors, to the value of upwards of two millions, were confiscated. This scheme will ever be memorable, and is worth this slight reference ; not the least remarkable feature of it being that the artifices of the directors actually succeeded, at one period, in raising the nominal value of a hundred pound share to £1000.

By the system of funding, the Government borrows money on an engagement to pay the contractor or contractors a certain interest on the debt till it is discharged. This is virtually granting the lender an annuity, on condition, however, that the annuity is terminable at the option of the borrower.

From the commencement of this system of public loans, they were, as a rule, contracted for at the then current rate of interest ; but, about 1780, a system was adopted, which has since obtained more or less popularity, by which a nominal capital of stock was assigned to the creditor greater than the amount actually received from him. For example—a loan is required at a time when the value of money is 5 per cent. In such a case the Government agrees to give the lender £100 three per cent. stock in return for every £60 he advances ; or, in other words, Government contracts to pay the lender £3 per annum for an indefinite period, or till the debt is cancelled by the repayment of £100.

The whole system of public loan-contracting is in this country subordinated to Parliamentary control, and the Chancellor of the Exchequer, immediately on arranging the terms on which he seeks to borrow money, has to obtain the sanction of the House of Commons, the department of finance being almost wholly under the supervision of the Lower House. The plan usually adopted is this:—When an advance of money is required for State purposes, the Chancellor of the Exchequer decides on what fund the loan is to be made, and he then publicly announces that on a specified day he will be prepared to entertain the offers of those capitalists who may desire to compete for it, or, in other words, to contract for the loan. If the Chancellor of the Exchequer proposes that the loan shall be in various funds, but without an annuity, the capital in each fund is previously fixed, except one, and the bidding is made on this exceptional fund, the offer of that capitalist being accepted who proposes to take the lowest capital. If a Long Annuity form part of the proposed stock, the other funds are offered to the lenders in certain fixed amounts, and the bidding is taken on the Long Annuity, the offer of that contractor being accepted who consents to accept of the smallest amount of annuity.

The proposal of the Chancellor of the Exchequer being thus before the financial community, those capitalists, bankers, or money-brokers, who propose to bid for the loan, attend at the place and time appointed, and hand in sealed statements of the terms on which they are prepared to conclude a contract.

These statements are opened by the Minister, and the loan is assigned to whoever has made the lowest tender.

Generally speaking, those who propose thus to contract for the new loan have previously opened subscription lists with other parties willing to share in the operation ; but this in no way affects the principle of loan-contracting, as the Chancellor of the Exchequer has only to deal with principals. It frequently occurs that a profit is at once made by the contractors, consequent on the market price of the securities in the new loan ; but, on the other hand, these contracts are hazardous, and in some instances have been attended with great pecuniary loss.

But there is another mode of raising money for purposes of State. Stock is sometimes created by the conversion of portions of the Unfunded or Floating Debt. This method is frequently adopted when the amount of Exchequer Bills in circulation has become inconveniently large. The plan was resorted to in 1717 for the first time. Exchequer Bills to the amount of 2 millions were converted into stock at 5 per cent. Another memorable instance of this method of converting stock occurred in 1841, when 3 millions were funded in the Three per Cent. Consols, on the terms of £112 2s. for every £100 Exchequer Bill.

Many circumstances contribute to the rise and fall in the prices of stocks. Among the most potent may be mentioned the probability of war or of peace, the state of the national revenue, the condition of the money-market, the position of the trading community

or the working classes, foreign commercial relations, and apprehensions of a change in the Ministry. It is nevertheless rare for the funds to remain stationary for any length of time; they in fact rise and fall as the mercury rises and falls in a barometer. As a rule, the price of stocks varies less in seasons of national prosperity, commercial and political, than in periods of distress; that is to say, the funds have greater stability when moderately high than when unnaturally low. The lowest point to which Consols have fallen was in 1797, when all Europe was convulsed, when they descended to 47 $\frac{1}{2}$ . The highest quotation which Consols have reached was 107, in the year 1737.

#### PURCHASE AND SALE IN THE FUNDS.

The prevailing opinion with regard to the funds as an investment, is doubtless founded on a just appreciation of the value of national security. There is a stability and *prestige* about "the funds," which attaches to no other investment, the Government or the State being regarded as pledged to the fulfilment of the contract into which the fundholder enters; hence the number of those who, towards the evening of life, invest their all in this species of security, and who pass the remainder of their days at least free from pecuniary anxieties. It is, therefore, desirable that a few plain directions should be given relative to the proper modes of effecting such investments.

The purchase and sale of stock is a recognized calling or profession, conducted by members of the Stock

Exchange. This Exchange is an association of brokers, in Capel Court, Bartholomew Lane. They are the acknowledged agents for all negotiations in the funds; but there are also a class of persons familiarly called stockjobbers, who watch the market, and buy or sell as opportunity offers. The current quotation of Consols we will say is  $89\frac{1}{2}$  to  $89\frac{1}{4}$ ; the broker has a commission to buy at the lower quotation, or to sell at the higher, and he acts for his client accordingly. The fundholder, or intending purchaser, is by the medium of these agents thus saved considerable trouble at a small charge. It is very desirable for all persons who seek to make investments in the funds, to give their brokers instructions in writing. As an illustration of the desirability of such a course, reference may be made to one case out of many, where the absence of definite written instructions led to disastrous consequences. A stockbroker was brought before the Lord Mayor, charged with defrauding a purchaser of stock to the amount of nearly £300. A widow lady employed this person to purchase stock for her in the Three-and-a-quarter per Cent. Annuities. She had paid him £264 for this purpose, but, woman-like, had given no instructions in writing. This afforded the dishonest man the opportunity for defrauding her, which he had accomplished by means of a forged receipt, purporting to be an official receipt for the money, from the Bank of England. Although, however, there was no doubt of the moral guilt of the stockbroker, the offence could not be brought home to him, simply because it did not come

within the letter of the law, which required that intending purchasers or sellers should give certain written instructions to their broker. Similar cases to this have frequently occurred, but always with the same result; the rogue has escaped through the meshes of the network of the law. A hint on this subject will doubtless tend to prevent a recurrence of analogous frauds.

Application to a recognized broker is in all cases desirable, if not indeed necessary. The charge, or commission, is as follows:—For Terminable Annuities, that is, for those annuities which have a specified time to run, 2s. 6d. per cent. on the amount invested; on funds not terminable at any specified time, also 2s. 6d. per cent.; on India Bonds and Exchequer Bills, 1s. per cent.

Every person making a transfer, whether male or female, must be known to be the person he or she assumes to be, and his or her identity has to be certified by the broker who negotiates the transfer, or by one of the principals of the Bank of England.

The dividends are paid three or four days after they respectively become due, and it is desirable that all persons who sell stock should ascertain that they have received all the dividends due thereon up to the time of such sale. In the event of the non-receipt of any dividend, the name of the party to whom it is due will appear in due course in the Unclaimed Dividend Book, thus necessitating trouble and annoyance. It should also be borne in mind that the transfer books are shut for four or five weeks immediately preceding

the day on which the dividends become due, this step being necessary for the calculation of the interest, and the preparation of the dividend warrants. Attention to this arrangement, the operation of which is easily ascertained, will preclude inconvenience, which otherwise would accrue.

It is, moreover, advisable that the purchaser or transferee should personally accept the stock transferred; that he should always sign (whether as acceptor or transferee) in exactly the same manner; and that he should retain the same address, etc., as that given in the first instance, notwithstanding any subsequent removal.

Stock can be purchased by one person on behalf of another; but in such cases powers of attorney or a letter of attorney is required. An agent or broker, acting for a principal, cannot either sell, transfer, or deliver stock of any kind, or receive any dividends upon them without this power. A letter of attorney is either stamped or unstamped, no stamp being required for dividends under £3. If the power of attorney be required for the sale or transfer of stock, it must be deposited in the proper department of the Bank on or before the day previous to that on which each sale or transfer is to be made. If the transaction is to be made on the same day, orders must be deposited before half-past twelve. In this latter case, however, a special application must be made to the Bank. The charge for a stamped power of attorney at the Bank is £1 1s. 6d., and for an unstamped power 1s. 6d.; at the National Debt Office a stamped power

costs £1, while there is no charge for an unstamped one.

Strict accuracy is requisite with respect to powers of attorney, as in case of any informality the Bank will decline to act upon them. The following are the chief points to be observed:—They must be attested by two witnesses, with names, full addresses, and occupations appended. No person under age can be a witness. If either or both the witnesses be servants, the names, addresses, and calling of employers must be given. A wife cannot act as a witness to a power executed by the husband, but both may be witnesses to a power executed by a third party. Should a power be interlined, erased, or altered, the attestation must mention that such alteration was made previously to the attestation. Should a person executing the power of attorney be unable to write, it must be attested by the clergyman of his parish and a churchwarden, or by two churchwardens, and the executing party must declare that it has been read in his hearing.

A power of attorney to receive dividends need not be presented until application has been made for such dividends by the party entitled to receive them.

The Bank does not recognize any trustee when stock is invested. If, however, the property invested be in trust, either on a single or joint account, the names, addresses, and occupations of the trustees, as individuals, are entered into the books, no account being opened in the names of more than four persons. Executors can dispose of stock, whether bequeathed or

not. Stock invested in the name of a minor cannot be sold, nor will the dividends be paid till the minor reaches maturity. Where stock is in a joint account, one or more of the parties being a minor, it cannot be sold until the minor (or in case of two minors, then the youngest of them) shall become of age; but those in the joint account who are of age may meanwhile receive the dividends, though not by power of attorney. Stock will not be added either to a sole or joint account where a death has been made known to the Bank authorities. By an Act of Parliament of 1796, it is provided, that when stock stands in the names of trustees who have become bankrupts or lunatics, or are absent or out of the jurisdiction of the Equity Courts, or who refuse to transfer the stock standing in their names, the stock shall be transferred either into the name of the Accountant-General of the Court of Chancery, or into that of the Deputy-Remembrancer of the Court of Exchequer, in trust, or into the names of parties entitled to the same. By the same Act it is provided, that if one trustee be bankrupt or lunatic, etc. (as above), or if it be uncertain whether he be living, and the remaining trustees are willing to act, an order may be procured empowering the said trustees to transfer the stock in question, or to receive and pay over the dividends. It is also provided, that in case a bankrupt refuse to transfer stock belonging to him, the Lord Chancellor may, on petition from the bankrupt's assignees, order the stock to be transferred into the names of such assignees; and the Chancellor may, in certain cases, order stock standing in the

names of lunatics or their committees to be transferred.

No property vested in the funds can be attached, the Bank being a chartered body. In certain cases, however, the Court of Chancery will issue a *distringas* for the purpose of attachment of the funds.

Every person purchasing stock should keep the seller's receipt until one dividend has been received upon it, the receipt of a dividend being *prima facie* evidence of ownership. It has been sometimes recommended, that after the receipt of a dividend, the seller's receipt should be destroyed, to preclude any possible litigation against the heirs of the stock, or for the prevention of trouble to the heirs of the purchaser, in searching the books of the various funds for a statement of the sum described in such receipt. The destroying of such receipts, however, has sometimes been productive of considerable annoyance and inconvenience; and the better plan would seem to be to preserve them. A ledger account of all sums bought or sold should be kept, a separate account being allotted to each stock or fund in which investors have property. On one side should be entered particulars of stock bought; on the other, particulars of that sold. A bird's-eye view of the owner's pecuniary position, so far as the funds are concerned, will thus be presented, together with the profit or loss on each transaction.

The following is a statement of the transfer days, dividend days, etc., at the Bank and the East India House :—

*Bank of England.*

Stock.	Dividend Due.
Annuities, 30 years, expire 1880 .....	Jan. 5. July 5
Annuities, 30 years, expire 1885 .....	April 5. Oct. 10
Bank Stock .....	April 5. Oct. 10
Three per Cent. Reduced .....	April 5. Oct. 10
New Three per Cent. Annuities .....	April 5. Oct. 10
New Five per Cent. ....	Jan. 5. July 5
Three per Cent Consols .....	Jan. 5. July 5
New Three-and-Half per Cent. ....	Jan. 5. July 5
New Two-and-Half per Cent. ....	Jan. 5. July 5

The transfer days for the above are Tuesday, Wednesday, Thursday, and Friday.

Life Annuities, if transferred between January 5 and April 4, or between July 5 and October 9, are payable January 5 and July 5. If transferred between April 5 and July 4, or between October 10 and January 4, they are payable on April 5 and October 10. The Life Annuities are transferred at the National Debt Office, Old Jewry.

Transfer books at the Bank of England are closed at one o'clock on Saturday.

Dividends are paid three days after the dates given above, or, if a Sunday intervene, four days after. Hours: Buying and selling, 10 to 1; transferring, 11 to half-past 2; accepting, 9 to 3; payment of dividends, 9 to 3.

*East India House.*

Stock.	Dividend Due.
East India Stock, 10½ per Cent.....	Jan. 5. July 5
East India Four per Cent. Debentures, 1858 .....	April 8. Oct. 8
East India Four per Cent. , 1859 .....	Feb. 16. Aug. 16
New Five per Cent. Loan (payable at the Bank) .....	Jan 5. July. 5
India Bonds .....	Mar. 31. Sept. 30

The transfer days for the above are Tuesday, Thursday, and Saturday.

Dividends payable from 9 till 3.

Both at the Bank and at the East India House, private transfers may also be made at times other than as above, on days when the transfer books are open, by paying 2s. 6d. extra on each transfer. Papers to be left at either establishment for examination the day previous to the transaction ; if for the receipt of dividends, they can be presented at the time the first dividend is payable.

The charge for transfers is as follows :—Bank Stock, 9s. for £25, or under that amount ; 12s. above that amount. India Stock, 30s.

In all cases, where executors or others have to act on the part of a deceased person, the decease should be proved as soon as possible. Letters of administration, probates of wills, and any other documents necessary to prove the decease, must be left at the Bank or India House two or three days, for registration, exclusive of Sundays and holidays. The holidays are :—In the Bank Dividend Office, Christmas-day and Good Friday ; in the Transfer Offices, Christmas-day, Good Friday, May 1, and November 1. In the East India House and Exchequer, Christmas-day and Good Friday.

Exchequer Bills, Exchequer Bonds,\* and India

\* Exchequer Bonds do not now exist for public investment ; but as they may again be introduced, the allusion to them is retained.

Bonds are transferrable from one party to another. One great advantage of these public securities is, that they are readily available, and always marketable at quotation prices. They can be transferred from one to another simply by a note or bill from the owner or his broker, and they carry interest up to the day on which the transfer is made.

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### THE BANK OF ENGLAND.

A short outline of the history of this great monetary establishment will enable the reader better to appreciate the character of the several funds or stocks, the management of which are entrusted to this institution.

The Bank of England is comparatively of modern growth. Centuries before this Bank was established, large financial corporations of a similar character had been organized; for instance, the Bank of Geneva, formed in 1345, and still earlier the Bank of Venice, dating so far back as 1157. The Bank of England was not formed till 1694. It was originally projected by a merchant named Patterson, and was incorporated by William III. in the year mentioned, in consideration of its capital, then amounting to £1,200,000. being lent to Government at 8 per cent. interest and a premium of £4000 annually for management. The establishment laboured under difficulties only two

years after its incorporation, at one period its notes being as low as 20 per cent. discount. Government, however, came to the rescue, and the capital of the Bank was increased to £2,200,000. Successive parliamentary enactments further increased the capital and privileges of the Bank, giving it by degrees a kind of monopoly ; for when the business of the establishment had become of a profitable character, and rivals were starting up, an Act of Parliament was passed (6 Anne, 1707), prohibiting any partnership of more than six persons from issuing bills of exchange, promissory notes, etc., for a shorter term than six months. This enactment at once consolidated the power of the Bank of England, and repressed private banking speculation.

The first charter of the Bank, in 1694, was for eleven years. The charter was prolonged in 1697, and from time to time further prolongations were granted, usually in consideration of moneys advanced to the Government. The charter under which the Bank is now incorporated is that of 1844, when important alterations were effected, the principal being the permission to issue notes on the amount of securities, and the separation of the Issue and the Banking departments. Pursuant to the Act 7 and 8 Vict., cap. 32, the returns of the Bank are now made weekly, are published in the *Gazette*, and are usually reproduced in the daily papers. Branch establishments from the Bank of England exist in the chief commercial towns of the kingdom, all of which have been formed since 1828.

and one has been recently established at the West End of London.

The first Bank post bills were issued in 1754; small notes were issued in 1759. Cash payments were suspended February 25, 1797, when one and two-pound notes were circulated. Cash payments were partially resumed September, 1817, and the restriction had altogether ceased in 1821.

The amount of gold and silver coin and bullion in the Bank considerably fluctuates, and even in comparatively modern times it has been as low as twelve, and as high as 17 millions. In 1852, consequent on the discovery of the gold-fields, the increase of gold was very sudden, and on the 10th of July it amounted to nearly 22 millions, while on the 1st of January, in the following year, it was upwards of 20 millions.

The Bank of England has on several occasions advanced large sums of money to the Government. Anderson, in his "History of Commerce," states the stock and funds of the Bank in 1744 thus:—

Original Capital doubled, at 3 per Cent. ....	£3,200,000
Cancelling Exchequer Bills, at 4 per Cent. ....	500,000
Purchased of South Sea Company, at 4 per Cent... .	4,000,000
Annuities charged on Surplus Fund of Lottery of 1714, at 4 per Cent.....	1,250,000
Annuities charged on Coal Duties, at 4 per Cent... .	1,750,000
 Total Capital lent to Government .....	 £10,700,000
 Interest payable on £3,200,000 at 3 per Cent.....	 £96,000
Interest on £7,500,000 at 4 per Cent. ....	300,000
 Total Public Interest .....	 £396,000

In 1746 its capital stood at the sum of £11,686,000. Some further additions were necessarily made to it, and in 1833 an Act was passed, authorizing the establishment to increase their capital stock by adding one-fourth of its accumulated profits (nearly three millions), making the total capital £14,553,000, at which amount it now stands.

The most important period in the history of the Bank of England was the year 1844, when its charter was renewed, and when several alterations were made in its mode of transacting business. Mr. Goulburn, then Chancellor of the Exchequer, stated the object of the Bank Charter Act to be the prevention, as much as possible, of "fluctuations in the currency, similar to those which at different times have occasioned hazard to the Bank and embarrassment to the country." That this object has not been accomplished all commercial men know; but it is not here necessary to enter on the subject. The chief feature of this measure was the restriction placed on the Bank as to the issue of notes. It was enacted that £14,000,000 should be issued on Government securities, of which sum the debt due from Government to the Bank (£11,015,000) should form a part, and the remainder to consist of other securities, amounting nearly to three millions. Any excess over this sum in the issues was to be represented by gold and silver coin and bullion; the proportion of the silver to be one-fourth of the whole amount of the metallic security. The chief remaining enactments of this important measure are as follow:—All persons may

demand notes for gold bullion at £3 17*s.* 9*d.* per ounce. The Bank may increase securities in the Issue department, and issue additional notes, equal to one-third of the country notes ceased to be issued. The Bank to deduct £180,000 per annum on the charge for the public debt. New banks of issue were prohibited. Restrictions were imposed on existing banks of issue. Bankers ceasing to issue cannot re-issue their notes. A penalty was imposed on banks issuing in excess.

The Bank of England thus in 1844 commenced a new career, with a charter granted for ten years, which has since been renewed, and having its permanent advance to the Government fixed at £11,015,000, at 3 per cent. Its capital, as has been stated, was £14,553,000. On this sum a dividend of 7 per cent. per annum was for some years declared, and the average interest is now 8 per cent. But in addition to this capital, there is what is called the Rest, or Surplus Fund, of three millions; so that the actual working capital of this vast institution is upwards of seventeen and a-half millions.

The Bank is managed by a Governor, a Deputy-Governor, and twenty-four Directors. For Governor the qualification is £4000 Bank Stock; for Deputy-Governor, £3000; for a Director, £2000. To entitle a Proprietor to a vote at the General Courts, he must have the unaltered possession of £500 stock for six months clear; but no proprietor, under any circumstances, can have more than one vote.

The following stocks were directed to be paid off

by the South Sea Commutation Act, 16 Vict., cap. 23 :—Three per Cent. Annuities, 1726 ; South Sea Stock, original capital ; Three per Cent. South Sea Annuities, 1751 ; Three per Cent. Old South Sea Annuities ; and the Three per Cent. New South Sea Annuities. All transactions in these securities have therefore ceased, and the South Sea Company itself has been wound up.

Appended is a concise account of the several funds connected with the Bank of England.

#### NEW TWO-AND-A-HALF PER CENT. ANNUITIES.

The origin of this public security was the proposal of Mr. Gladstone, Chancellor of the Exchequer in 1853, to give in exchange for certain annuities at 3 per cent. £110 for every £100 in a stock then created, at  $2\frac{1}{2}$  per cent., subject to redemption after January 5, 1894. The amount of this stock on the 31st of March, 1859, was £2,985,472 for Great Britain, and £3080 for Ireland.

The dividends payable at the Bank of England and Bank of Ireland, January 5 and July 5. Transfers every Tuesday, Wednesday, Thursday, and Friday, between eleven and one, except holidays or days when the transfer books are shut. Letters of attorney, 2*s.* 6*d.* Brokerage, 2*s.* 6*d.* per cent. on sum bought or sold.

#### THREE PER CENT. CONSOLIDATED ANNUITIES.

This stock had its origin in 1751, when various public securities were consolidated into one stock. It

is the fund familiarly known as "Consols." The amount on this stock on the 31st of March, 1859, was £400,829,812 for Great Britain, and £6,373,043 for Ireland. It forms the largest and best-known portion of the public debt, and is most perceptibly acted upon by public prosperity or calamity; hence those who deal in the funds as speculators invariably select this stock for their operations.

The dividends are payable January 5 and July 5, from nine till three. Transfer days every Tuesday, Wednesday, Thursday, and Friday, holidays excepted, and days when books are shut. Books shut early in December, opening about the third week in January; and early in June, opening in July. Letters of attorney, 2*s.* 6*d.* Brokerage, 2*s.* 6*d.* per cent. on sum transferred.

#### REDUCED THREE PER CENT. ANNUITIES.

If the date of this fund is taken from the period when the sums forming its capital were reduced to 3 per cent. (hence the name), it may be said to have commenced in 1757. It bore interest at 4 per cent. from 1746 to 1750, and 3½ per cent. from 1750 to 1757, when it was reduced to 3. In the latter year it amounted to upwards of 17 millions. This security merely differs from Consols in the period when dividends are due, the fact of its once having borne a higher rate of interest being of little moment. The amount of this stock on the 31st of March, 1859, was £11,015,100 for Great Britain, and £122,607 for Ireland.

The dividends are payable at the Banks of England and Ireland April 5 and October 10, from nine till three. Transfer days every Tuesday, Wednesday, Thursday, and Friday, except days when books are shut. Transfer books shut early in March, opening about fourth week in April; and early in September, opening about fourth week in October. Letters of attorney, 2*s. 6d.* Brokerage, 2*s. 6d.* per cent. on sum transferred.

#### NEW THREE PER CENT. ANNUITIES.

This fund is the result of a conversion, in 1830, of the New Four per Cent. (converted in 1822 from the Navy Five per Cent. and Irish Five per Cent.) In 1830 the interest was reduced from 4 to  $3\frac{1}{2}$  per cent.; in 1843, to  $3\frac{1}{4}$ ; and after October 10, 1854, to 3 per cent. per annum, not being subject to redemption till after October 10, 1874. The capital on the 31st March, 1859, was for Great Britain, £212,661,739, and for Ireland, £33,983,375.

The dividends are payable at the Banks of England and Ireland April 5 and October 10, from nine till three. Transfers on Tuesday, Wednesday, Thursday, and Friday, with the exception of holidays and days when books are shut. Transfer books closed early in March and September; open about the third week in January and July. Letters of attorney, 2*s. 6d.* Brokerage, 2*s. 6d.* per cent. on amount bought or sold.

**NEW THREE-AND-A-HALF PER CENT. ANNUITIES.**

This stock originated in the South Sea Commutation Act of 1852. By Mr. Gladstone's Act, holders of Consols, Reduced, and South Sea Stock and South Sea Annuities were offered £82 10*s.* in the new security for every £100 in their original stock, the new stock being guaranteed against reduction or redemption till after January 5, 1894. The amount of capital on the 31st of March, 1859, was for Great Britain, £240,746.

The dividends are payable at the Bank of England, January 5 and July 5, from nine till three. This security is not paid at the Bank of Ireland. Transfers on Tuesday, Wednesday, Thursday, and Friday, from ten till one, except on holidays and days when books are shut. Transfer books closed early in December, opening about the third week in January; and early in June, opening about the third week in July. Letters of attorney, 2*s.* 6*d.* Broker's commission, 2*s.* 6*d.* per cent. on sum bought or sold.

**NEW FIVE PER CENT. ANNUITIES.**

This stock owed its origin to the conversion in 1830 of the New Four per Cent. (which in 1822 had been converted from Navy Five per Cent. and Irish Five per Cent.) The holders of the New Four per Cent., who did not dissent from accepting New Three-and-a-half per Cent. in exchange, had within a month the option of accepting the New Five per Cent. secu-

rities, or of being paid off at par. Those who assented took the new stock at the rate of £70 for every £100 New Four per Cent. held by them. The New Five per Cent. Annuities are not redeemable till January 5, 1873. The amount of this stock was, on the 31st of March, 1859, for Great Britain £430,603, and for Ireland only £2000.

The dividends are payable at the Banks of England and Ireland, January 5 and July 5, from nine till three. Transfers on Tuesday, Wednesday, Thursday, and Friday, between ten and one, except on holidays, or when the books are shut. Transfer books shut early in December, and open about the third week in January ; and early in June, opening about the third week in July. Letters of attorney, 2*s.* 6*d.* Broker's commission, 2*s.* 6*d.* per cent. on the amount bought or sold.

#### LONG ANNUITIES (1885).

These securities formed part of the loan of 16 millions, effected by the Chancellor of the Exchequer in 1855, to supply a portion of the deficiency of 23 millions in the estimates of that year, and from the date of their origin had thirty years to run. Their capital amount on the 31st of March, 1859, was £116,000.

The dividends are payable on January 5 and July 5, from nine till three. Transfer days, Tuesday, Wednesday, Thursday, and Friday, between eleven and one, except on holidays, and days when the books are shut. Transfer books closed early in December,

opening about the third week in January; and early in June, opening about the third week in July. Letters of attorney, 2*l.*s. 6*d.* Broker's commission, 2*s.* 6*d.* on the sum laid out, being bought or sold at so many years' purchase.

#### ANNUITIES FOR TERMS OF YEARS.

These annuities were originated by various Acts of Parliament, and expire at different periods. That familiarly called the "Dead Weight," amounting to £585,000 per annum, arose from the pensions due to our soldiers and sailors, amounting to 5 millions a year. By an Act, 4 Geo. IV. cap. 22, an annuity was authorized to the extent of £2,800,000, of which the Bank took the £585,000 already mentioned. The annuities of £116,000 per annum granted on contracting for the loan of 16 millions, effected in 1855 by Sir G. Cornewall Lewis, as before explained, expire April 5, 1885, and are paid at the Bank of England, April 5 and October 10, from nine till three.

There are also other Annuities for Terms of Years granted by the Acts 10 George IV. c. 24, and 3 Will. IV. c. 14. These are payable at the Banks of England and Ireland, from nine till three. Transfer days Tuesday, Wednesday, Thursday, and Friday, from eleven till one, except on holidays, or when the books are shut. The transfer books are open or shut according to the time of payment, January and July, or April and October. Letters of attorney, 2*l.*s. 6*d.* Broker's commission, 2*s.* 6*d.* on the amount laid out,

the stock being bought and sold at so many years' purchase.

#### BANK STOCK.

This security forms the capital stock of the Corporation of the Bank of England, viz., £14,553,000. The dividends thereon are due April 5 and October 10, from nine till three. Transfer days, Tuesday, Thursday, and Friday, between eleven and one, except on holidays, or on days when the books are closed. The transfer books shut early in March, opening about the third week in April; and early in September, opening about the third week in October. The cost of transfer is:—Under £25, 9s.; above that sum, 12s.; private transfers are 2s. 6d. extra. Letters of attorney, 31s. 6d. Broker's commission, 2s. 6d. per cent. on the amount bought or sold.

#### LIFE ANNUITIES.

These annuities originated in the Acts 48 Geo. III. c. 142; 10 Geo. IV. c. 24; 3 Will. IV. c. 14; and 16 & 17 Vict. c. 45. The originating Act was for the purpose of “enabling the Commissioners for the Reduction of the National Debt to grant life annuities;” and it enacted that, from the 1st of August, 1808, the holders of stock in the Three per Cent. Consols and the Three per Cent. Annuities Reduced might exchange these stocks for Life Annuities on one or more lives, according to the age of the respective holders, at certain specified rates; and it was further enacted, *that all annuities ceasing by the death of the nominees*

shall revert to the Sinking Fund. The Act also authorizes transfers of these annuities to be made under certain restrictions; these transfers to be effected at the Bank of England. Life Annuities are payable at Reduction of the National Debt and Life Annuity Office, Old Jewry, London. The periods of payment are January and July, or April and October, thus regulated:—If the annuity be purchased between January 5 and April 4, or between July 5 and October 9, it will be payable on January 5 and July 5 each year; if purchased between April 5 and July 4, or between October 10 and January 4, it will be payable each year on October 10 and April 5.

The Commissioners for the Reduction of the National Debt are authorized to grant annuities in exchange for Three per Cent. Consols, New Two-and-a-half per Cents., Three per Cent. Reduced, New Three per Cents., New Three-and-a-half per Cents., and New Five per Cents.

#### EXCHEQUER BILLS.

Exchequer Bills form the principal portion of the unfunded debt of the country, and their introduction occurred at an earlier date than most other public securities. They had their origin in the scarcity of coin in the reign of William III. First issued in 1696, they have ever since formed a prominent means of obtaining money on the part of Government for the current expenses of the State. Exchequer Bills are usually issued annually by Act of Parliament, and at the end of the financial year they are called in to be exchanged.

for others, or, at the option of holders, to be liquidated at par. They are generally for sums of £100, £200, £500, and £1000, and carry interest from the day on which the bill bears date down to the day on which it is bought or sold. When the Government give notice of the calling-in of Exchequer Bills, holders should make a point of presenting them on the day appointed, otherwise they will either be deprived of interest till the next period of obtaining new bills, or must abandon the profit accruing from the premium at which they are quoted at the time.

Exchequer Bills are peculiarly sensitive to changes in the money market, and the rate of interest consequently fluctuates considerably. If money is scarce, and the Government interest on Exchequer Bills is not considered sufficient, the price sinks to a discount; if money is in little demand the contrary is the result. But as a rule, under all circumstances, they are usually quoted at a premium, the Government raising the rate of interest to keep them well afloat in the market. Exchequer Bills for small amounts are frequently proportionately dearer than those for large amounts. They are employed in a great degree as investments for bankers' balances, being a readily convertible security.

These bills are issued from the Exchequer Bill Office, Palace Yard, Whitehall Yard, Westminster. The charge for brokerage is 1*s.* on a bill of £100, and 1*s.* in addition on each subsequent £100. The rate of interest varies from 1½*d.*, or £2 5*s.* 7*d.* per cent., to 2½*d.* *per diem*, or £3 16*s.* per annum. The amount of

bills outstanding, according to the latest return, was £18,277,400.

#### EXCHEQUER BONDS.

These securities were first introduced by Mr. Gladstone, under the South Sea Conversion Act, 17 Vict. cap. 23. The reception of them by the public, however, was not favourable, and but a small portion was subscribed for. They were proposed to be issued in bonds of £100 to £1000, each bearing interest at the rate of £2 15s. per cent. per annum, payable half-yearly, till September 1, 1864; at the rate of £2 10s. per cent. per annum, till September 1, 1894; and then to be redeemable at par at the option of the holders or of the Treasury Commissioners. The plan was not successful, and it was for the moment abandoned. Subsequently a proposal for the issue of six millions was announced by the Treasury, under date April 1, 1854. According to this notice, the series of A, B, C was adopted, and the bonds were issued and negotiated in sums of £100, £200, £500, and £1000, bearing date May 8, 1854, at an interest of £3. 10s. per cent. per annum. The amount now outstanding is £5,000,000, including the £2,000,000 renewed through the Bank of England, under the arrangements made by Mr. Disraeli in his budget of 1858-59.\*

Exchequer Bonds are payable at the Bank of England on May 8 and November 8. Broker's commission, 2s. 6d. per cent.

\* They have recently been paid off, and are not now a marketable security, though the Bank holds possession of a quantity.

## EAST INDIA STOCK.

This security is the capital stock of the East India Company. Its original amount was £30,000, but it is now £6,000,000. The dividend on it is settled at 10 $\frac{1}{2}$  per cent. per annum interest (£630,000), chargeable on the revenues accruing from territory in India, but payable in England. This dividend is redeemable by Parliament after April, 1874, at the option of Parliament, at the rate of £200 for every £100 stock.

The dividends are payable at the East India House, January 5 and July 5, from nine till two. Transfer days every Tuesday, Thursday, and Saturday, between nine and three; private transfers from two till three, except Christmas-day, Good Friday, or when the books are closed. The transfer books are shut in the early part of December, opening about the third week in January; and early in June, opening about the third week in July. Letters of attorney, 31s. 6d. Broker's commission, 2s. 6d. per cent. on the amount bought or sold.

## EAST INDIA NEW FIVE PER CENT. LOAN.

This was a loan of £5,000,000, raised in August, 1859, for the service of the India Government, to provide part of the deficiency in the revenues of India, occasioned by the outlay through the mutiny. It was provided that the total should bear interest at the rate of 5 per cent., payable half-yearly at the Bank of England on the 5th of January and the 5th of July.

Although not under the guarantee of the Home Government, being actually secured on the revenues of India, the stock has become a favourite investment, so much so, that on its issue it was speedily paid up in full. The transfer days are every Tuesday, Thursday, and Saturday, between nine and three; private transfers from two till three, except Christmas-day and Good Friday, or when the books are closed. The transfer books are shut in the early part of December, opening about the third week in January; and early in June, opening about the third week in July. Letters of attorney and broker's commission same as East India Guaranteed Stock.

#### EAST INDIA BONDS.

These bonds were issued by the East India Company as security for a debt which they owed the public. They were for sums of £100, £200, £300, £500, and £1000 each, and are payable by the Company at par on six months' interest having accrued thereon. The bonds are readily marketable at any time, and are consequently a desirable investment for cash that may be called for on a sudden emergency. They bear interest up to the very day on which they are bought or sold, payable at the East India House on March 31 and September 30. The rate of interest, however, has frequently varied, and still varies, according to the state of the money market. At present the rate allowed is 4 per cent. per annum. They are *transferable* by means of a bill stating their number,

letter, and amount, as well as the premium and interest which they bear up to the period of transfer. If at a discount when transferred, this must be deducted from the total of principal and interest. The broker's commission is 1s. per £100.

#### EAST INDIA FOUR PER CENT. DEBENTURES, 1858.

In consequence of the expenditure occasioned by the mutiny in India, and the difficulty experienced in raising money in the presidencies, the East India Company were empowered, under the provisions of the Act of 21st of Victoria, cap. 3, to negotiate a loan of £8,000,000, by the issue of debentures bearing interest at the rate of 4 per cent., repayable in five years. The revenue of India is alone pledged to the payment of the debt, the guarantee of the Government not being allowed.

The first issue in 1858 was for £4,824,500, dated 6th of April, 1858, repayable 8th of October, 1863, and the second issue was for £3,172,500, dated the 18th of August, 1858, repayable 8th of April, 1864, the principal amount having been taken up by banks, assurance and other corporations, who desire steady permanent investments. The rate at which they were issued was 97 to 99. The debentures issued are at the rate of £500 and £1000 each, the interest being payable half-yearly, at the Treasury of the East India House in London. This security has become a favourite for investment, and the public, since it has been introduced to the market, have exhibited them-

selves as ready purchasers. The rate of commission charged is 2*s.* 6*d.* per cent., and the debentures pass from hand to hand, having *coupons* attached for the payment of the dividends.

#### EAST INDIA FOUR PER CENT. DEBENTURES, 1859.

This was a further issue of Four per Cent. Debentures, effected in April, 1859, the amount offered being £7,000,000, but the tenders at and above the *minimum* price of £95 only reaching £5,077,000, there remained £1,923,000 to be subsequently subscribed. They were issued under the 22nd Vict. cap. 2, dated April, 1859, and made repayable August, 1866. With regard to dividends, etc., they stand in the same position as the debentures of 1858, and are considered a sound and satisfactory investment.

#### THE FOUR, THE FIVE, AND THE FIVE-AND-A-HALF PER CENT. RUPEE STOCKS.

These securities, which have been recently introduced into the London market, consist of the loan notes of the several loans contracted in India, and the dividends on which can be received in London through the process of "enfacement." From the low prices at which these securities ranged, they have been largely purchased in Calcutta and Bombay, and brought into this market, having at length become a favourite investment. From a late return presented to Parliament, it appears that about £4,000,000 of

the notes have been tendered for "enforcement" to the authorities at the Indian Council, for payment of the dividends here, the chief proportion being the Five per Cents.

Since the Indian Government has changed hands, and passed from the magnates of Leadenhall Street to the Indian Council, the embarrassed state of finances has become plainly evident. The mission of Mr. James Wilson to India to investigate the subject and suggest remedies, shows that an entire alteration of the existing system will be necessary. With a general modification of the tariff he proposes to supply a local currency equal to at least £5,000,000, to be regulated through Government interference; in fact, laying the foundation of a State Bank. According to his financial *exposé*, the real deficit of the Indian Exchequer is £9,290,129; the estimated gross income for the year ending 30th April, 1860, £38,036,909; while the expenditure is £41,820,018, leaving an adverse balance of £3,783,109. To this must be added home charges representing £5,507,020, making the aggregate the sum stated, viz., £9,209,129. He, however, believes that a surplus will soon be arrived at, and speaks in most confident terms of the future development of the Presidencies. On the financial position of India he remarks:—

"Availing myself of the best information at my command as things now stand, allowing for a reduction of £1,000,000, which will appear in the accounts of the present year as compensation for losses, allowing for a decrease in the military charges of £1,240,000, for which arrangements have up to this time been

made, and allowing, too, for an increase of income from salt duties, for which the necessary sanction has been obtained, of £410,000, I cannot, even with all these allowances, reduce the deficit of next year below £6,500,000, which would swell the deficiency for the four years into a sum of £37,000,000. I hold in my hand a statement showing the amount of the debt due by the Government of India, in India and England, in every year since 1834. On the 30th of April, 1857, just before the mutiny commenced, the capital of the public debt in India was £55,546,652, and in England it was £3,894,400, and the interest payable upon the whole was £2,525,375. On the 30th of April this year the debt in India has been increased to a sum of £71,202,807, and in London to a sum of £26,649,000, making together £97,851,807, and the annual charge on both is now £4,461,029. Thus, in three years, the debt of India has increased by no less a sum than £38,410,755, involving an annual increase of interest to the amount of £1,935,654. It cannot be too widely known that the late mutiny has cost the people of India, in a direct public charge, independent of all other losses and sacrifices, the sum of £38,410,755, and has incurred an annual charge in respect of it of no less than £1,935,654, for I fear many years to come. This is our present condition. We have a deficit in the last three years of £30,547,488—we have a prospect deficit in the next year of £6,500,000—we have already added to our debt £38,410,755 ; and with these facts before us, it is for us to take a fair—I will say a bold—view, but tempered with caution and prudence, of our position, to rise to the magnitude of our difficulties, and with firm resolve determine to leave nothing undone which lies within our reach to remedy so crying an evil.”

#### FINANCIAL TECHNICALITIES.

There are several terms which are familiar enough, *both in their use and exact signification*, to those ac-

customed to financial operations, but which are little understood by the public. It is necessary, however, that at least the following should be explained for the information of the multitude who seek to invest:—

*Omnium*.—This word is Latin, and strictly signifies “of all.” It is thus used:—A loan to the Government is, it shall be presumed, composed of three distinct funds, and these three items added together form the *Omnium*. For instance, in 1798, Government contracted a loan of 17 millions, and the subscribers to this loan received for every £100 as follows:—

£150 Three per Cent. Consols at the current market	
price, £48½ .....	£72 15 0
£250 Three per Cent. Reduced Annuities, at 47½.....	23 15 0
4s. 11d. Long Annuities, taken at 13 years' purchase	3 3 11
	_____
	£99 13 11
Discount .....	2 11 7
	_____
	£102 5 6
	_____

*Quotations*.—The funds are quoted in pounds, halves, quarters, and eighths, the sovereign being divided into half-crowns. Thus,  $\frac{1}{2}$  is 2s. 6d.;  $\frac{1}{4}$ , 5s.;  $\frac{3}{8}$ , 7s. 6d., and so on throughout the range. Consols, for instance, are quoted at 87 $\frac{1}{2}$ , which is, in reality, a short way of writing £87 7s. 6d.

*Scrip*.—The term *Scrip* is an abbreviation for Subscription, as Consols for Consolidated, Cent. for Centum, and so forth, the rapidity of commercial transactions rendering such contractions desirable.

The aggregate of the items composing a new loan being called Omnim, each distinct item is denominated "Scrip;" as, for example, Three per Cent. Reduced Scrip, Two-and-a-half per Cent. Scrip, etc. When the Omnim is brought to market it is not always sold as Omnim, *i. e.*, in the aggregate; but the articles which constitute the loan are sometimes disposed of separately as Scrip. Thus the holder of the Omnim may wish to dispose of Long Annuities, and to keep the Consols Scrip. All the articles, however, of the loan are called Scrip till the full sum is paid over to Government, the subscription to a new loan being paid by instalments. When the loan is all paid up, the terms Scrip and Omnim in connection with it cease, and the several articles which each were called Scrip sink into the capital of the funds by the names of which they were known. In connection with the subscription system, an explanation of the mode of subscribing by—

*Instalment* may be advisable. When a loan is contracted the subscribers to it are called on to pay-up certain specified instalments at stated times. Usually the instalments are from 10 to 15 per cent., and are payable at periods of about a month apart, the number of instalments, of course, being according to the per centage: for instance, four instalments of 10 per cent. and four of 15 per cent. making up the full amount.

*Account Days.*—These are the days fixed for the arrangement of the accounts in the several markets. *For instance*, the account day in Consols falls once

a month; i. e., when the jobbers and brokers settle the differences which have been incurred through the speculation of the public. The range of fluctuation is then determined, and the operator for the rise or fall, as the case may be, then settles his account. The settling days in foreign stocks and railway shares are half-monthly, or every fortnight, the amount of transactions being more extensive than in Consols, except under particular circumstances. In railway shares they are sometimes of such magnitude that they take several days to arrange, especially at periods whenever any great speculative excitement is apparent.

*Backwardation*.—This term, familiarly shortened to "back," refers to the process of putting-off, or backing, the delivery of stock sold from one account to another.

*Bear*.—This term is used opprobriously, and deservedly so, to those persons who, for private purposes, circulate false reports, or use other means to lower the market, so that they may buy in, and subsequently gain a profit by selling.

*Bull*.—This word is the antithesis to Bear, and is applied to those who, for stock-jobbing purposes, seek to send up the funds in order to gain a profit by selling.

*Contango, or Rates of Continuation*.—This term, which is one of the technical expressions of the Stock Exchange fraternity, signifies the rate at which money can be obtained from account to account. An operator, after settling differences, may entertain a favourable opinion of the particular security in which

he is dealing, and he is naturally anxious to carry over to the next account, either to reimburse himself for the loss he has sustained, or to increase the profit which he has made; hence he will have to pay a rate of continuation for the accommodation. In the Consol market, except at periods of great pressure, the value of money does not rise above 2 or 3 per cent.; in foreign stocks it varies, in times of ease, from 3 to 7 per cent., and has reached the high rate of 12 and 17 per cent.; railway shares are subject to the same fluctuation, and high rates of continuation have very frequently to be paid.

*Ex-Dividend* (*ex-dividendo*) means separated from the dividend. A quotation ex-div. signifies so much without the dividend due or coming due.

*Ex-Coupons*.—A term used when the interest on bonds is paid by means of coupons or interest warrants, these being cut *off* or *from* the bonds as they become due, and being presented to the payer.

*Time-Bargains* are explained under the heading of Stock-Jobbing.

#### STOCK-JOBBING AND SPECULATING.

A great mistake is popularly made with regard to the terms stock-jobbing and stock-jobbers. Stock-jobbing with many persons is synonymous with financial gambling, but it is nevertheless a legitimate profession. Stock-jobbers must be members of the Stock Exchange, and this fact is in itself a guarantee for the commercial respectability of the stock-jobber. The

stock-jobber is usually a man of substance, with a good capital at his command, and before he can become a member of the Stock Exchange, the annual subscription to which is ten guineas, the committee make inquiries as to his private and public character, his commercial stability, etc. The stock-jobber, as a jobber, carries on a legitimate occupation—of a somewhat hazardous character, it is true, but still perfectly legitimate—that of a medium between the public and the broker; and it is only when he ceases to occupy this position, and becomes a mere speculator on his own account, that his proceedings are to be condemned.

The stock-broker is the commission agent for the sale and purchase of stock on behalf of the public. It is not considered professional for him to deal in stock on his own account; but he buys or sells for his client at a fixed commission, usually of 2*s.* 6*d.* per cent.

The position of the broker, the jobber, and the public may be thus explained:—A, a private gentleman wishes to invest £100 in the funds; he applies to B, a broker; B, instead of looking out amongst other brokers, and waiting till the particular stock required be offered on favourable terms, applies to C, a recognized jobber. C will either buy this stock at so much, or will sell it at so much, according to the turn of the market. They agree; B buys £1000 stock of C on behalf of A, and the transaction is complete.

All stock-brokers must be members of the Stock Exchange. Some of them rely solely on their known names and capital; while others are what is termed

sworn brokers ; that is, they are free of the City, members of some company, and have to give bond for £1000, with two sureties, each for £250, for good conduct !—a relic this of antiquated exclusiveness. The broker usually has a large number of clients or principals, and the transactions which the former negotiate vary very considerably in amount, from a few pounds to as many thousands.

There are on the Stock Exchange men who are emphatically speculators, neither confining their operations to mere jobbing between the broker and his client on the one hand, nor, on the other, merely acting as brokers. The speculator, in fact, watches the turn of the markets, and buys and sells solely on his own account. The operations of these gentlemen necessarily require much shrewdness and experience, and even then, so hazardous are the dealings in money when merely pursued on speculation, that ruinous results often follow. The more reckless of this class are of course alternately “ bulls ” and “ bears,” as it may suit their purpose ; but it by no means follows even that men who devote their lives to this speculation adopt any absolutely dishonest means to secure their ends ; but we cannot shut our eyes to the fact that the temptation thereto is great.

One feature of speculation on the Stock Exchange is the system of time-bargains. A time-bargain is a dealing for the account-day (commonly spoken of as the account). A speculator for the account nominally buys or sells for the forthcoming day with the intention that the bargain shall be closed before the spe-

d day arrives. When the account-day arrives, difference only between these two prices passes veen the parties contracting. In fact, bargains of character are made without any intention of ing or receiving the whole sum, the buyer spean-  
ig on being able to sell at an advanced price before account-day arrives. It need scarcely be said that is hardly legitimate dealing in securities; nor its frequency in other markets besides the money ket render the system more honourable.

#### PUBLIC REVENUE AND EXPENDITURE.

Now every mind is turned to financial topics, it be profitable to collect a few kindred statistics the last few years. The following table exhibits variations which have taken place in the public enue and expenditure since 1844 :—

ear.	Revenue.	Expenditure.	Surplus.	Deficit.
.....	£54,003,753	£50,647,648	£3,356,105	—
.....	53,060,354	49,242,713	3,817,641	—
.....	53,790,138	50,943,830	2,846,308	—
.....	51,546,264	54,502,948	—	£2,956,684
.....	53,388,717	54,185,136	—	796,419
.....	52,951,749	50,853,623	2,098,126	—
.....	52,810,680	50,231,874	2,578,806	—
.....	52,233,006	49,506,610	2,726,396	—
.....	53,210,071	50,792,512	2,417,559	—
.....	54,430,344	51,174,839	3,255,505	—
.....	56,822,509	60,031,568	—	3,209,059
.....	63,364,605	84,505,788	—	21,141,183
.....	68,008,623	78,113,035	—	10,104,412
.....	66,056,055	66,019,958	36,097	—
.....	61,812,555	60,684,898	1,127,657	—
.....	70,578,000	68,953,000	1,625,000	—

#### ESTIMATE.

..... / £70,564,000 | £70,100,000 | £464,000 . —

It should be observed that the revenue and expenditure for 1859 are given as stated roughly by the Chancellor of the Exchequer in his recent budget; also that the expenditure for 1846 included £2,000,000 of Exchequer Bonds redeemed and £1,125,206 for the redemption of the Sound dues. We next give a quinquennial review of the various sources of revenue :—

	1845.	1850.	1855.	1860.
Customs ...	£ 20,196,856	£ 20,442,170	£ 20,615,338	£ 22,700,000
Excise ...	13,585,585	14,316,084	16,389,486	19,170,000
Stamps ...	7,710,683	6,558,332	6,805,605	8,000,000
Taxes ...	4,223,842	4,360,179	2,945,780	3,250,000
Income-tax ...	5,026,570	5,383,037	13,718,185	2,400,000
Post-office ...	753,000	820,000	1,137,220	3,400,000
Crown Lands ...	120,000	160,000	280,516	280,000
Miscellaneous ...	1,443,820	770,878	1,100,057	1,500,000

It should be stated that the figures given in the last column are taken from Mr. Gladstone's estimate, based on the system at present in existence; but the changes proposed by the right hon. gentleman will vary the various totals, increasing the income-tax, for example, to £8,472,000. The figures are nevertheless interesting, as they show that the resources of the country have steadily increased, a great amount of taxation having been remitted. How they may subsequently stand affected is another question; but it is generally believed there will be steady progress. As regards the expenditure a quinquennial review gives the subjoined results :—

	1845.	1850.	1855.	1860.
Interest on debt...	£ 28,253,872	£ 28,091,590	£ 27,647,899	£ 26,200,000
Army ...	8,854,296	8,955,061	29,377,349	15,800,000
Navy ...	6,809,873	6,437,883	19,014,708	13,900,000
Civil charges ...	5,324,672	6,747,340	8,465,832	9,500,000

It should be observed that the expenses of the revenue departments are not included in the comparison; but these figures nevertheless present a passing glance which, in a financial point of view, must be considered interesting.

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**AN ACCOUNT OF THE GROSS PUBLIC INCOME OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND,**

In the Year ended 31st March, 1859, and of the Actual Issues within the same Period, including the Expenditure for Collection and Management defrayed by the several Revenue Departments, exclusive of the Sums applied to the Redemption of Funded or Paying off Unfunded Debt, and of the Advances and Repayments for Local Works, etc. :—

<i>Income.</i>	<i>£ s. d.</i>
Customs .....	24,117,943 5 1
Excise .....	17,902,000 0 0
Stamps .....	8,005,769 8 7
Land and Assessed Taxes.....	3,162,000 0 0
Income and Property Tax .....	6,683,586 19 6
Post Office.....	3,200,000 0 0
Crown Lands.....	280,040 9 5
Small Branches of the Hereditary Revenue...	4,480 4 11
Fees of Public Offices .....	111,031 19 11
<hr/>	
	<b>£63,466,852 7 5</b>
Money received from the Revenues of India for Retired Pay, etc.....	60,000 0 0
Trustees of the King of the Belgians .....	37,500 0 0
Old Stores and Extra Receipts of Naval and Military Departments, and Gain by Ex- change, etc., on Payments at Hanover.....	1,194,090 6 10
Unclaimed Dividends received.....	155,361 6 4
Miscellaneous Receipts.....	563,479 19 8
<hr/>	
	<b>£65,477,284 0 3</b>
Expenditure .....	64,663,882 10 7
<hr/>	
<i>Excess of Income over Expenditure .....</i>	<b>£813,401 9 8</b>

*Expenditure in the year ended the 31st of March, 1859:—*

<i>Debt.</i>	<i>£ s. d.</i>
Interest and Management of the Public Debt	23,539,886 17 10
Terminable Annuities .....	3,972,739 2 4
Unclaimed Dividends .....	46,674 8 7
Interest of Exchequer Bonds .....	156,250 0 0
Ditto   Exchequer Bills, Supply .....	811,777 1 6
Ditto   ditto   Deficiency .....	156 5 0
<i>Consolidated Fund.</i>	
Civil List .....	403,225 0 0
Annuities and Pensions .....	343,761 11 7
Salaries and Allowances .....	157,665 0 5
Diplomatic Salaries and Pensions .....	161,313 15 1
Courts of Justice .....	697,084 14 8
Miscellaneous Charges .....	177,625 5 7
Compensation to the King of Denmark for Abolition of the Sound Dues .....	— — —
<i>Supply Services.</i>	
Army, including Ordnance .....	12,512,290 16 6
Navy .....	9,215,487 2 0
Civil Services.....	7,169,473 8 11
Salaries, etc., Revenue Departments .....	4,515,968 16 7
Persian Expedition .....	— — —
Expenses of War with China in 1840.....	— — —
Operations in China (Naval) .....	391,943 0 0
Extraordinary Expenses of the late War with Russia .....	390,580 4 0
Sinking Fund on Loan of £5,000,000, per Act 19 Vict. c. 21.....	— — —
	<hr/>
	£64,663,882 10 7
<b>Excess of Income over Expenditure .....</b>	<b>813,401 9 8</b>
	<hr/>
	£65,477,384 0 3

## AN ACCOUNT OF THE BALANCES OF THE PUBLIC MONEY

Remaining in the Exchequer on the 31st day of March, 1858; the Amount of Money raised by the Additions to the Funded or Unfunded Debt in the Year ended the 31st day of March, 1859; the Money applied towards the Redemption of the Funded or Paying off Unfunded Debt; the Total Amount of Advances and Repayments on account of Local Works, etc., with the Difference accruing thereon, and the Balances in the Exchequer on the 31st day of March, 1859.

## Balances in the Exchequer

on the 31st March, 1858:	£	s.	d.	£	s.	d.
At the Bank of England	5,517,532	4	7			
At the Bank of Ireland	1,140,269	19	7			
				6,657,802	4	2

Money raised in the Year  
ended 31st March, 1859:

## Funded Debt:

Nil.

Exchequer Bonds (Series  
E. and F.):

Raised per Act 21 Vict. c. 14 .....	2,000,000	0	0
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## Exchequer Bills:

In part of Grant of £20,911,500, per Act 21 Vict. c. 18, and dated 15th June, 1858 .....	14,112,400	0	0
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In part of same Grant, and dated 14th March, 1859	6,056,600	0	0
		20,168,400	0

Repayment of Advances for  
Purchase of Bullion, for  
Local Works, etc., under  
various Acts of Parlia-  
ment.....

1,633,295	13	6
1,250,347	12	8

## Advances for ditto .....

382,948	0	10
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## Excess of Repayments over

Advances .....	382,948	0	10
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## Excess of Income over Expenditure in the Year

ended 31st March, 1859.....	813,401	9	8
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£30,022,551 14 8

ISSUED.	<i>£ s. d.</i>
To the Commissioners for the Reduction of the National Debt, to be applied to the Redemption of the Public Debt, per Act 10 Geo. IV.	
c. 27 .....	9,024 7 1
Interest on Donations and Bequests .....	21,944 10 1
Issued to the Bank of England.	
For Redemption of Exchequer Bonds (Series A.) .....	2,000,000 0 0
Applied to Purchase of—	<i>£ s. d.</i>
Funded Debt .....	30,968 17 2
Exchequer Bonds .....	2,000,000 0 0
	2,030,968 17 2
To the Paymaster-General, in Exchequer Bills, to exchange Supply Bills... 20,168,400 0 0	
To the Paymaster-General, in Money out of Ways and Means Grants, to pay off Supply Bills ...	34,100 0 0
	20,202,500 0 0
<i>N.B.—£7,600,000 Exchequer Supply Bills held by the Commissioners for the Reduction of the National Debt, on account of Savings Banks, have been cancelled and funded.</i>	
Balances in the Exchequer on the 31st March, 1859:	
At the Bank of England... 6,536,597 9 7	
At the Bank of Ireland ... 1,252,485 7 11	7,789,082 17 6
	£30,022,551 14 8

## FOREIGN SECURITIES.

In this department will be included the funds and stocks of all other countries but Great Britain and Ireland, and the United States—that is to say, that for the purpose of classification, the English colonies and dependencies will be regarded as foreign. The securities of the latter will, however, be first treated of.

## CANADIAN DEBT (BONDS AND DEBENTURES).

In conformity with the proposed conversion of the public debt of Canada, as authorized by the Act of the Provincial Parliament, 22nd Vict. cap. 14, Messrs. Baring Brothers and Co. and Messrs. Glyn, Mills, and Co., the financial agents in England of the province, negotiated a loan of £2,800,000, bearing 5 per cent. interest at par, in January, 1860. The list was closed on the 10th January, and upon the amount allotted the payment of an instalment of 10 per cent. was required on the 16th, the remainder, in monthly proportions (in cash, or in Provincial Currency Bonds, or Municipal Loan Fund Bonds), being spread over a year, or until the 15th of January, 1861. The interest, at the rate of 5 per cent. per annum on the nominal capital, commenced from the 1st January, and the half-yearly dividends due the 1st of July, 1860, and the 1st of January, 1861, it was arranged should be deducted from the instalments due in those months. Bonds of £1000, £500, and £100 each, with

half-yearly coupons, to be issued as soon as they are received from Canada on payments in full, and meanwhile provisional certificates were delivered, signed by Messrs. Baring and Co., and Messrs. Glyn, Mills, and Co. Certificates of inscription were given to such persons as preferred stock inscribed to bonds to bearer. Bonds may, at any time, be transferred into inscriptions of stock, but inscriptions of stock cannot be converted into bonds. A sinking fund of one-half of 1 per cent. of the capital of the issue under the Act, with accumulating interest, will be applied to its extinction. The option of the conversion of the Provincial Government Six per Cent. Bonds payable in Canada, and the Consolidated Municipal Loan Fund Bonds on specified conditions, and the exchange of the Sterling Bonds of Canada bearing 6 per cent. and 5 per cent. interest, was limited to the 30th of June, 1860. The loan was fully subscribed, and seems to be considered a preferential investment, the dividends being payable at the agents, Messrs. Glyn, Mills, and Co., or Messrs. Baring Brothers, on the 1st of January and the 1st of July. Broker's commission as usual in other cases of similar securities. The latest statement of revenue showed ample resources to meet all the existing engagements of the provinces.

#### THE WEST INDIA RELIEF LOANS.

These loans originated in claims for assistance on the part of West India proprietors, chiefly in Jamaica, Demerara, and Trinidad. They were raised by deben-

tures, with interest at the rate of 4 per cent. per annum, guaranteed by the English Government. These securities are but little known to the public, being also principally taken by banks, assurance, and other companies, as solid permanent investments.

**VICTORIA (AUSTRALIA) RAILWAY LOAN.—DEBENTURES  
BEARING SIX PER CENT. INTEREST.**

Issued under the authority of the Railway Loan Act of the Legislature of Victoria No. XXXVI., dated Melbourne, 24th November, 1857, entitled, "An Act to authorize the raising of Moneys for the Construction of Railways," to be effected by the issue of Debentures, bearing interest at the rate of Six per Centum per Annum, in amounts of £1000, £500, and £100 each, secured upon the consolidated revenues of Victoria, and redeemable on the 1st October, 1883. The amount to be negotiated is about £7,000,000, of which already £4,600,000 have been placed. They command a good price in the market, ranging from 107 to 110. The principal and interest payable in London at the London and Westminster Bank and London Joint-Stock Bank, the dividends being arranged to be discharged on the 1st April and 1st October in each year by coupons.

**AUSTRIAN FIVE PER CENTS.**

The Austrian Loan of 35 million florins, or £3,500,000, was negotiated by the Messrs. Rothschild

in May, 1852, at the rate of £90 for every £100, at 5 per cent., with an allowance for payments in anticipation at the rate of 3 per cent. The loan was raised for the service of the country. Subscriptions to the amount of £2,500,000 were available in London, and the remainder was reserved for Frankfort-on-the-Main. A sinking fund of 1 per cent. was also provided, set apart for the payment at par of the proportionate part to be drawn by lot; the first drawing being on January 1, 1853; the second on July 1 following; and so throughout every succeeding half-year.

The Austrian Government has reserved to itself the right of increasing this sinking fund to 5 per cent. after 1862. The sinking fund has up to the present period been met with punctuality, but the loan does not find much favour in this country on account of the finances of the Austrian Government so frequently exhibiting a large deficiency; the loan was, in fact, received very coolly by the financial community here, and the greater portion of it was subscribed through the Hebrew interest by private capitalists. The bonds are, as a matter of course, negotiable in London, and have occasionally been freely dealt in.

The bonds are issued in sums of £100, numbered 1 to 35,000, those issued in London bearing the numbers up to 22,500. The dividends are due January 1 and July 1, and payable at Messrs. N. M. Rothschild's and Co. In Paris the exchange is 25f. 50c. per £1; at Frankfort 121 florins per £10.

Another Austrian 5 per cent. stock was contracted for in 1828, by Messrs. Rothschild, to the amount of

30 million florins, or £3,000,000, at 5 per cent., in bonds of 1000 florins, £82 for every £100, at a fixed exchange of 10 florins per £1. The coupons of this stock can be realized in London at the current rate of exchange. The dividends are payable at the Treasury in Vienna, May 1 and November 1.

Other attempts have been made to raise funds both in London and Vienna, but they have signally failed through the wretched system of finance and the malversations practised by the local authorities. The deficiency between revenue and expenditure is enormous, and it has recently been discovered that in the affairs of the late National Loan a large over-issue took place.

The principal sources of revenue in Austria are:— Land-tax, about £6,000,000; tax on consumption, £3,000,000; salt and tobacco, £5,000,000; stamp duties, £2,800,000; house-tax, £1,000,000; income-tax, £738,000; customs, £2,000,000.

#### BELGIAN FOUR-AND-A-HALF PER CENTS.

These bonds form part of the public debt of Belgium. The coupons are payable in London, Paris, Antwerp, and Brussels. The dividends are payable May 1 and November 1.

#### BELGIAN TWO-AND-A-HALF PER CENTS.

These bonds, like those already referred to, form *part of the public debt of Belgium*. The practical

business-like character of the Belgians, and the zeal and prudence which the Government usually show in their department of finance, tend to make Belgian securities favourably regarded here, although operations in them have latterly become rather limited. The coupons on this stock are payable in the cities already mentioned. The dividends are payable January 1 and July 1.

The public debt of Belgium on the 1st of May, 1859, was £27,750,000 nominal capital; unredeemed capital, £24,940,000. The revenue in 1858-59 was £5,904,000; the expenditure, £5,465,000. Value of exports from the United Kingdom, £1,475,000.

#### BRAZILIAN FIVE PER CENTS., 1824-25.

This loan is formed of two parts. In 1824, Messrs. Rothschild and Messrs. Thomas Wilson and Co. contracted for £1,686,000, at £75 for every £100; and in 1825 Messrs. Rothschild also contracted for a further loan, at the rate of £85 for every £100. The bonds were for £100 and £1000 each, with a sinking fund of 1 per cent. per annum. The customs' revenue is pledged as security for the redemption of the loan. The dividends are payable April 1 and October 1, at Messrs. Fletcher, Alexander, and Co.'s.

#### BRAZILIAN NEW FIVE PER CENTS., 1829-1839.

This loan is also formed of two parts. In 1829, £800,000 was contracted for, at the rate of £54 for

every £100; and in 1839, £312,500 was contracted for, at the rate of £78 for every £100.

The dividends are payable at Messrs. Rothschild and Sons', April 1 and October 1.

#### BRAZILIAN FIVE PER CENTS., 1843.

This loan was effected through Sir J. L. Goldsmid, to the amount of £732,000, by bonds, at the rate of £85 for every £100.

The dividends are payable, June 1 and December 1, at Messrs. Rothschild and Sons'.

#### BRAZILIAN FOUR-AND-A-HALF PER CENTS., 1852.

This stock was created in 1852, for the express purpose of paying off £954,000 of the Portuguese Loan of 1823. It was contracted for by Messrs. Rothschild, at the rate of £95 for every £100.

The dividends are payable, June 1 and December 1, at Messrs. Rothschild and Sons'.

#### BRAZILIAN FOUR-AND-A-HALF PER CENTS., 1858 AND 1860.

These were two small loans negotiated, the first in 1858 and the other in 1860, for the sums respectively of £1,526,500 and £1,373,013. They were contracted by Messrs. Rothschild Brothers, at £96 and £90 for every £100. The dividends payable on the first transaction, 1st of June and 1st of December, and on the second, the same dates.

*All Brazilian Government securities are readily*

negotiable, the Brazilian Government having kept faith with their creditors, and the resources of the country being very large. The internal debt of Brazil, according to a late account, was £6,415,978, and the foreign debt £5,439,100; together, £11,855,078; this being exclusive of a funded debt of £500,000, created by Rio Janeiro. A sinking fund is in course of operation, which makes considerable progress with the reduction of the debt. British exports in 1859, £3,686,853.

#### DANISH THREE PER CENTS., 1825.

The Danish Government, in respect to this stock, originally proposed a loan of £5,500,000; but of this amount only £3,500,000 was contracted for by Messrs. Thomas Wilson and Co., at 75 per cent. In 1838 the contract was assigned to Messrs. Rothschild Brothers, and the remainder of the original sum was required. Attached to the loan is a sinking fund of  $\frac{1}{2}$  per cent. per annum, and this rate is susceptible of increase at the pleasure of the Danish Government. The borrowing State is under special agreement to redeem the entire loan by or before the year 1885. The bond-holders possess admirable security; for the Sound dues, the revenues arising from the Danish West India plantations of St. Thomas, St. Croix, and St. John's, and also certain securities on the West India plantations for money advanced to planters, are mortgaged for the redemption of the debt, and the payment of the interest.

The dividends are payable, March 31 and September 30, at Messrs. Rothschild and Sons'.

DANISH FIVE PER CENTS., 1849.

This is a small stock, the capital being only £800,000. In 1849, Messrs. Hambro and Son, of London, contracted for a portion of it to the amount of £150,000. The Bank of Copenhagen contracted for £400,000, and the remainder was negotiated in various quarters. The stock was issued at the rate of £86 for every £100, but on the 1st September, 1859, the balance (allowing for the operation of the sinking fund), which then represented £697,200, was, in accordance with the option contained in the contract, redeemed.

DANISH FIVE PER CENTS., 1850.

This loan was contracted for by Messrs. C. J. Hambro and Son, in 1850, the capital being £800,000, and the stock being taken at 90 per cent. The occasion of the loan was the large demand made on the Danish Treasury on account of the exhausting war in Schleswig-Holstein. The land-tax of Denmark was offered as security for the redemption of the loan and the interest thereon at 5 per cent. per annum. The loan was, in fact, on the same footing as that of 1849. The subscription was payable thus:—20 per cent. two days after allotment; 20 per cent. on April 15, 1850; 10 per cent. on May 15; 10 per cent. on

June 15; 10 per cent. on July 15; 10 per cent. on August 15; 10 per cent. on September 14. An allowance of 3 per cent. per annum was allowed on payment in full of the above instalments. The bonds were issued as follows:—5000 A, at £100 each, £500,000; 400 B, at £500 each, £200,000; 100 C, at £1000 each, £100,000; total, £800,000. The first half-yearly coupon was payable on September 1 following. A sinking fund of 1 per cent. was attached to the loan, and this has been punctually carried out. The dividends are payable, March 1 and September 1, at Messrs. Hambro and Son's, London.

The revenue of Denmark for the year ending March, 1859-60, was about £2,400,000; and the expenditure, £2,500,000. The total debt was £15,700,000, of which £9,970,000 was internal, and about £6,000,000 foreign. British exports in 1859, £724,000.

#### DUTCH TWO-AND-A-HALF PER CENTS.

The stock consists of about 67 millions sterling, formed of certificates of 1000 guilders each. The dividends are payable January 1 and July 1.

#### DUTCH FOUR PER CENTS.

This stock consists of nearly 20 millions sterling, in certificates of 1000 guilders each. The dividends payable April 1 and October 1.

Coupons on both the above securities are saleable at the current rate of exchange. All operations in

the Dutch funds are in London calculated at a fixed rate of exchange, viz., 12 guilders = £1 sterling.

Both the above stocks are inscribed in the "Great Ledger" of Holland, and they are favourably regarded in the stock-market, the dividends being punctually discharged.

The revenue of Holland, according to a late account, was £5,700,000; the expenditure, £5,650,000. British exports in 1859, £5,379,794.

#### FRENCH RENTES.

The term "rente" signifies an annuity. There are three descriptions of rentes—Three per Cent., Four per Cent., and Four-and-a-half per Cent. There were also Five per Cent. Rentes, but these were converted in 1852. In negotiating French securities, the practice is different to that in connection with English securities. In England, the buyer or seller of stock treats for so much capital of the debt; in France, the annuity, or rente, is negotiated. The mode of reducing rente into capital is as follows:—

In the Three per Cent. Rentes, the franc is equivalent to 33f. 33c. capital; in the Four per Cent. Rentes, the franc is equal to 25f. capital; in the Four-and-a-half per Cent. Rentes, the franc is equal to 22f. 22c.; in Five per Cent. Rentes, the franc is equal to 20f. capital. To ascertain the capital of any description of rentes, multiply the rente by the above equivalents, according to the description of stock. *Thus: 100 francs in the Five per Cent. Rentes is 2000*

(100 multiplied by 20). Then multiply every 100 francs by the price at which the rente is quoted (*e.g.*, 108), thus :—

2500f. French Rentes, 5 per cent., at 108 (Exchange 25f. 50c.) .....	£2117	12	11
Brokerage, 2s. 6d. per cent.....	2	9	0
	£2120	1	11

The French Government does not usually throw open its loans to English capitalists, but contracts for loans in France. All who subscribe to the loan have their names inscribed in the Grand Livre, as in Holland, and this great ledger is divided into series. There are, therefore, as many accounts as there are receipts for stock granted. Every inscription states the Christian and surnames of the proprietor, the amount of his annuity, the number of the series in which the annuity stands, the time when the next dividend is due, etc. The "great book" is shut at certain specified periods (like our own transfer books), and remains closed for 18 days previous to that on which a dividend falls due.

Dividends due as follows :—On the Four-and-a-half and Four per Cents., March 22 and September 22; on the Three per Cents., June 22 and December 22.

The importance of these securities renders it advisable that the mode of dealing in them be clearly explained. On receipt of the purchase-money the

seller gives an acknowledgment of the fact, and a written promise to obtain the certificate of inscription as soon as the transfer can be effected. If the purchaser, however, desires the Paris house to receive the dividend, the better plan is to leave the original certificate of inscription in their possession, having a certified copy thereof forwarded. This saves the power of attorney, which is otherwise necessary, and the copy of the certificate is just as available as the original in case of subsequent sale. It usually takes eight or ten days to effect a transfer and obtain the certificate.

When the holder wishes to sell, the certificate (original or copy) must be left with a notary for the purpose of obtaining a power of attorney, which the seller may execute the following day. The notary thereupon obtains the sanction of the French Consul, and the broker is then free to operate. A charge of  $\frac{1}{2}$  per cent. is made in Paris on the transfer, in addition to the brokerage here.

The dividends on rentes are payable in Paris on the certificates of inscription being presented. Holders in England who prefer retaining their certificates may nevertheless obtain the dividends by power of attorney, certified by a notary. A power of attorney may be so drawn up that it will apply to all inscriptions held by the owner at the time of effecting it, as well as to all future inscriptions to be acquired by him. Powers of attorney stand good for ten years, unless they are cancelled, or the dividends alluded to have been received by the holder.

## FRENCH BANK SHARES.

The stock in Bank Shares (Actions de la Banque de France) are to France what Bank Stock is to England. The shares were originally of 1000 francs each, but subsequently, on the extension of the charter, they were extended to 1200 francs each. They may be converted into real estate at the will of the owner, and re-converted into personal property. The interest is 6 per cent. on the original amount of the shares, with a bonus of two-thirds of any profits that may accrue above that rate; the other third being reserved for contingencies. 6 per cent. however is guaranteed, and in the event of the profits not being adequate to this per centage, the reserve fund is drawn upon. The Bank of France publishes a full financial statement every month, and this is closely watched in this country as an index of national prosperity. The dividends are payable January 1 and July 1.

Although the French debt is very large, the popularity of the loans, as shown both during the expense of the Crimean and Italian wars, is full proof of the confidence possessed in French securities, though, of course, during all periods of disturbance they pass through extensive fluctuations. The *Moniteur* of April 1860 contains a report to the Emperor from the Minister of Finance, proposing to submit to the Council of State a bill for the definitive settlement of the budget of the year 1858-59. From this document it appears that the total receipts of that year were 1,871,381,904 francs, the total expenses

only 1,858,493,891 francs, and that there was consequently a surplus of 12,888,013 francs. The report, however, remarks that the totals of receipts and expenses comprise severally the sums of 613,356,567 francs, which were merely entered as a matter of form for the sake of regularity in the public accounts (they are called *recettes et dépenses d'ordre*), and that, on deducting them, the real receipts will be 1,258,026,337 francs, and the real expenses 1,245,138,324 francs, the surplus remaining the same. The report also states that the balance of the public loans brought over from preceding years, which, after deducting 20,000,000 francs set apart for works to prevent inundations, amounts to 18,917,103 francs, must be added to the aforesaid surplus, and that, consequently, the total excess of receipts for 1858 will be 31,805,121 francs. After giving these figures, the Minister, in order to show how satisfactory is the situation, goes on to say:—"The resources of the budget, though exceeding the expenses by more than 12,000,000 francs, had to support a disbursement of nearly 30,000,000 (29,970,364) francs for extraordinary works, and more than 10,000,000 francs of extraordinary expenses for the expedition to China. If, then, the Treasury had only had to provide for ordinary expenses, properly so called, the surplus of receipts would have been more than 52,000,000 francs, or at least 48,000,000 francs, if we deduct the sum of 4,000,000 francs paid by railway companies, which figure in the budget of 1858, but which are not, properly speaking, *ordinary resources*. The accounts of public func-

tionaries for 1858 are now being subjected to the usual rigorous examination of the Court of Accounts. From the financial arrangements in force in France, not a centime can go from the pockets of the taxpayers into the public treasury, or pass from one office to another, or be paid to a creditor of the State, without the legality of levying it; the regularity of its movements and the legitimacy of its employment being established by responsible agents, without being judicially verified from documents by judges who are appointed for life, and without being definitively sanctioned by the Legislature."

## GREEK FIVE PER CENTS.

Three Greek loans have been contracted for in England, viz., £800,000, at 59 per cent., in 1824; £2,000,000, at 56½ per cent., in 1825; and £2,343,750, at par, or nearly so, in 1833. All these loans were issued in 5 per cent. bonds; but Greece ceased to pay interest on the first of these loans in 1826, and on the second in 1827, notwithstanding that the Greek Government had pledged the entire revenues of the kingdom for the payment of interest and a sinking fund of 1 per cent.

The third loan was contracted by Messrs. Rothschild; England, France, and Russia guaranteeing in equal portions the interest and sinking fund. Greece having also failed to meet her engagements in respect to this contract, the guaranteeing powers have had regularly to pay the dividends as they accrue. These

bonds are nominally spoken of (though they are never quoted on the Stock Exchange, consequent on no arrangement having been come to by Greece with her creditors) as Anglo-Greek, French-Greek, and Russo-Greek. The dividends payable, March 1, at Messrs. Rothschild's; in London at par, and in Paris at the fixed exchange of 25f. 60c. The exports to Greece in 1859 were £262,309.

#### NEAPOLITAN FIVE PER CENTS., 1824.

This loan, raised by Ferdinand I. for the general service of the country, has pledged for its security all the revenues of the State. There is a sinking fund at a minimum of 1 per cent.; and in order that this shall be punctually met, together with the interest on the loan, the annual revenue from customs and excise is specially mortgaged. The loan was raised in bonds of £100 each, issued at 92½ per cent. The dividends due February 1 and August 1. Coupons may be paid into any public office in Naples or its dependencies, at any time within the six months previous to their becoming due, at the fixed exchange for bills at usance on London at 4 per cent. discount per annum. The dividends also can be received in London by negotiating the coupons.

#### NEAPOLITAN FIVE PER CENT. RENTES.

The Neapolitan Government, in respect to this debt, *has issued certificates of 500 ducats each, representing*

stock severally inscribed in the names of certain merchants. These certificates are verified by the signature of the Director of the Great State Book. No transfer of the capital represented by the certificate will be allowed without the production of the certificate, which is thereupon cancelled. The holder of a certificate may, however, at any time convert the certificate into a stock inscription in his own name. The rate of exchange of these certificates is thus fixed:—4f. 40c. = 1 ducat; 25f. 65c. = £1 sterling. The dividends are due January 1 and July 1, and are payable in Naples by the parties issuing the certificates. In London they are payable by Messrs. N. M. Rothschild and Sons, the coupons being bought at a certain rate, less a commission.

## PORTUGUESE FUNDS.

The external debt of Portugal is so complicated that it will be necessary just to glance at its history. The foreign debt of the country may be thus broadly stated:—

Regency Loans, 1831, 1832, 1833, contracted at 48 per cent. with Messrs. Ricardo (conditional, and to be repaid by instalments, depending on the subversion of Don Miguel by Don Pedro) ...	£4,000,000
Loan of £1,000,000 taken by Messrs. Goldsmid in 1853, at 94 per cent., bearing interest at 6 per cent., but reduced in 1840 by redemption and conversion to 3 per cent. ....	90,000
Carried forward.....	£4,090,000

Brought forward .....	£4,090,000
Loan of £6,000,000, taken by Messrs. Rothschild, at 70 per cent., bearing an interest of 3 per cent. per annum; reduced 40 per cent. by conversion and loss .....	3,600,000
Loan of £900,000, taken by Messrs. Goldsmid in 1836, at 80 per cent. This loan is secured on the debt owing by Brazil, and has principally merged into Brazilian stock, Portugal bearing a proportion of about .....	250,000
Loan taken by Messrs. Goldsmid in 1837, contracted to meet dividends and debts. This loan is secured on the tobacco revenues .....	1,000,000
 Total about .....	£8,940,000
To this must be added interest in arrear for 3½ years, included in the conversion, say.....	1,460,000
 Thus the entire foreign debt would, after the conversion, represent in round figures .....	£10,000,000

According to the provisions of the decree of conversion, interest on the converted stock was to be payable as follows:— $2\frac{1}{2}$  per cent. for four years, dating from July, 1841; 3 per cent. for four years, from July, 1845; 4 per cent. for four years, from July, 1849; and 5 per cent. for four years, from July, 1853. After this latter period 6 per cent. interest was to be paid till the arrears on back interest be paid off. In 1845, however, this arrangement was abrogated by a new scheme proposed by Folgosa, Jonquiera, Santos, and Co., for converting the whole debt of Portugal *into a 4 per cent. stock.* This arrangement was en-

tained to the amount of £6,500,000 stock, but the holders of the remainder (£500,000) declined to accede to the terms. The debt thus remained with overdue interest on the latter sum for January and July, 1850, and January and July, 1851.

But further dissatisfaction was felt by the creditors of Portugal, consequent on a decree in December, 1852, converting the whole foreign debt into a 3 per cent. stock. This proposition naturally met with decided opposition, the directors of the Bank of Portugal, and Mr. R. Thornton, on the part of the bond-holders' committee, protesting against it. But the conversion was proceeded with nevertheless. The bonds only of the dissentient holders are quoted upon the Stock Exchange. A certain portion of the Portuguese customs' revenue is set apart for the discharge of the interest, but the lax financial morality of the Government tends to throw the bonds into disrepute with the financial community. Indeed, every movement is a sort of fraud upon the foreign debtor. The revenue of Portugal amounts to £3,024,000, and the expenditure, £3,224,000. The internal debt is £10,600,000, which, added to the external debt, constitutes a total of about £20,000,000. The British exports, according to the latest accounts, represented £1,398,000.

#### RUSSIAN FIVE PER CENTS., 1822.

This stock was contracted in the above-named year with *Messrs. Rothschild*. The capital is £6,400,000

issued at 82 per cent., in bonds bearing interest at 5 per cent. There is a sinking fund attached of 1 per cent., which operates by purchase, the sinking fund being in fact a perpetual annuity, and being irredeemable unless by the consent of the holder. The certificate bonds, of various amounts, are convertible, at the option of the holder, into an inscription in his name in the Great Book of the State. The dividends are payable, at the fixed exchange of 3s. 1d. per silver rouble, at Messrs. Rothschild and Sons', London; or in St. Petersburg.

#### RUSSIAN INSCRIPTIONS, SIX PER CENT.

This fund had its origin in the founding of paper money in 1817. Very little is done in this stock in London. The dividends are payable, January 1 and July 1, at St. Petersburg.

#### RUSSIAN METALLICS, 1820.

This loan was contracted by Messrs. Baring Brothers and Co., London, and by Messrs. Hope and Co., Amsterdam, for 40 millions of silver roubles, at a fixed exchange of 3s. 1d. per silver rouble. They bear interest at 5 per cent. The bonds are of two classes—Sillem, of 500 roubles each, payable in Hamburg; and Barings, of various sums, payable in London. Neither description, however, is much known on the Stock Exchange. The dividends are payable, March 1 and September 1, in St. Petersburg, in specie; or

at Messrs. Baring Brothers and Co., London, on payment of merchant's commission.

#### RUSSIAN METALLICS, 1832.

This loan was contracted with Messrs. Hope and Co., of Amsterdam, and was issued in bonds of 500 roubles each, bearing 5 per cent. interest. The capital is 40 million silver roubles, at the fixed exchange of 3*s. 1d.* The dividends are payable, June 1 and December 1, at Baring Brothers, London; or Messrs. Hope and Co., Amsterdam. They are not dealt in on the London Stock Exchange.

#### RUSSIAN METALLICS, 1833.

This loan was also effected with Messrs. Hope and Co., of Amsterdam, on the same principle as the foregoing. The capital is 20 million roubles, at 5 per cent. interest, issued in bonds of 500 roubles each. The dividends are payable, May 1 and November 1, by Messrs. Baring Brothers and Co.

#### RUSSIAN FOUR-AND-A-HALF PER CENTS., 1850.

This loan was contracted in the year stated with Messrs. Baring Brothers, for £5,500,000, at 93 per cent., and was issued in bonds of from £100, £500, and £1000 sterling, bearing interest at the rate of 4*½* per cent. per annum. There is an annual sinking fund attached of 2 per cent., for the repayment of the bonds.

at par. The sinking fund is punctually carried out. The dividends are payable, January 1 and July 1, at Messrs. Baring Brothers.

#### RUSSIAN THREE PER CENTS., 1859.

Subscriptions for a loan of £12,000,000 in a 3 per cent. stock, at 68 per 100, were announced by Messrs. Thomson, Bonar, and Co., in August, 1859. Although offered at a moderate price, it was not very readily taken up; but when the lists were closed, £4,000,000 was said to have been allotted to English capitalists. A sinking fund of small amount is fixed for the gradual liquidation of the debt. The dividends are payable the 1st of May and the 1st of November, at Messrs. Thomson, Bonar, and Co., Great Winchester Street.

The revenue of Russia is not clearly to be ascertained, but owing to recent financial depression, it must present a large deficit. The British exports, in 1859, amounted to £4,053,563.

#### SPANISH SECURITIES.

The loans effected by Spain have long been so justly in disrepute on the London Stock Exchange, and the several securities are now so far neglected, that a mere reference to them is all that is necessary. *They are as follows :—*

**SPANISH THREE PER CENTS. CONSOLS.**

The capital of this stock is about £7,000,000, issued in bonds of various amounts. The dividends are payable, January 1 and July 1, at the Spanish Financial Commission, Tokenhouse Yard, London.

**SPANISH THREE PER CENTS. NEW DEFERRED.**

The capital of this stock is about £60,000,000, in bonds of varying amounts. Dividends payable, January 1 and July 1.

**SPANISH PASSIVE STOCK.**

The capital of this stock is about £10,600,000, in certificates of varying amounts. The security bears no interest. Spanish Passive bonds or stock was formed from the foreign debt by a decree in 1834, the debt then amounting nearly to 13 millions sterling. This stock is redeemable at the option of Government by means of periodical auctions, which are now regularly carried out.

**SPANISH CERTIFICATES OF COUPONS UNFUNDDED.**

The capital of this stock is nearly 7 millions sterling. The certificates arose from the protest of the London and Amsterdam committees against the repudiation by Spain of half of the interest due to the bondholders on the conversion of the Active Bonds in 1851, which interest had been accumulating for

upwards of ten years. These securities carry no interest, but are quoted in the market at 5 or 6 per cent. of the capital which they nominally represent. The nominal dates on which the dividends ought to be due, are January 1 and July 1. The repudiation, on the part of Spain, of her just debts has received universal condemnation ; and these certificates are a memorial protest against her national dishonesty.

The revenue of Spain is in a doubtful condition, and there is no doubt a large deficiency ; but the latest statement, including the extraordinary budget, shows a receipt of £7,745,500, against an expenditure of about an equal amount. The war with Morocco has entailed a large outlay, but the internal resources of the country have lately been more largely developed. The British exports in 1859 were £2,081,000.

#### BUENOS AYRES SIX PER CENTS., 1824.

This loan was taken by Messrs. Baring Brothers, in the year mentioned, at 85 per cent. The goods, revenues, and territories of the republic are pledged for the repayment of the loan, and there is attached thereto a sinking fund of  $\frac{1}{2}$  per cent. per annum. The bonds were issued in amounts of £500 each, and the dividends are nominally due January 12 and July 12, every year, at Messrs. Baring's. But notwithstanding the public guarantee, very little desire to carry out the provisions of the contract has ever been exhibited on the part of the borrowers, and since 1829 no dividend has regularly been paid.

The contractors and the committee of Spanish-American bondholders have done all in their power to effect a satisfactory arrangement. Major White and Mr. James Giro were successively despatched to watch the interests of the bondholders, and partly owing to this step a monthly remittance of £1000 has been made towards satisfying the claims of the creditors. In March, 1856, a proposition was made by the Buenos Ayres Government to provide for the full payment of interest and sinking fund as follows:—"In 1857, £36,000; in 1858, £48,000; in 1859, £60,000; in 1860 and thereafter, £72,000 annually." On this basis a settlement has been effected, and great hopes are entertained of the Government in future making regular payments of the dividends.

The revenue of Buenos Ayres is gradually progressing, and exceeds £1,000,000, and the expenditure is conducted with a view to economy. Late disturbances have interfered with the development of trade, but it is thought peace will now be fully assured. The British exports in 1859 were £958,177.

#### CHILIAN BONDS.

The first loan contract with Chili was effected in this country with Messrs. Hullett Brothers in 1822. The amount was £1,000,000, at 70 per cent., issued in bonds of £100 each, with interest at 6 per cent. per annum, and having a sinking fund of £20,000 a-year. The entire revenues of the State were pledged for the repayment of the loan, but the special guarantee for payment of the sinking fund and interest

was the revenues of the Mint, and the diezmos or tithes. It was agreed that the payments should be regularly remitted to England not less than four months before they became due; and it was further agreed, that if any portion of the loan remained unredeemed on the expiration of 30 years from March, 1822, the Government were to pay it off at par. Notwithstanding this arrangement, however, dividends were suspended, and in September, 1837, the total remaining debt and arrears was £1,552,000.

Efforts were then made to effect a settlement, but the committee of Spanish-American bondholders declined to accept the terms which were offered. Thereupon further proposals were discussed on the following basis:—A resumption of the original 6 per cent. interest on the principal, and a capitalization of the arrears of interest by the issue of new bonds, with interest at 3 per cent. per annum, and a redemption fund for both descriptions of stock. The committee subsequently announced that these conditions had been regularly acted up to, and that the debt is consequently in a gradual course of liquidation. Chilian stock now rests upon the basis just referred to, and the commercial honour of the country and its material prosperity, when undisturbed by war, combine to render both descriptions of stock, the Six and Three per Cents., a favoured investment.

With reference to the Six per Cents., the Chili Government still retains the power of redemption at par (100). Consequent on this arrangement, a lottery *is established*, so that the bonds are purchased when

below par, and certain numbers are drawn when at or above par. The stock is thus prevented from rising, for any lengthened period, above par.

In connection with the Three per Cents., a bonus of 10 per cent. can be claimed by a holder if he prefer an inscription in the local debt books of St. Iago de Chili. A holder of £5000 Three per Cents. can, for instance, claim £5500 Three per Cent. local stock in exchange. The sinking fund on both stocks is accumulative and in full operation. The dividends are payable, March 30 and September 30, at Messrs. Baring Brothers and Co. The last loan contracted by this Government was one through Messrs. Baring Brothers, in November, 1858, the amount being £1,554,800, bearing interest at the rate of  $4\frac{1}{2}$  per cent. Dividends payable 1st June and 1st of December. A sinking fund of not less than one-half per cent. per annum, with accumulating interest, commencing from the 1st of December, 1859, is applicable to the extinction of the debt by means of purchase and cancellation of the bonds, when their price is below par, and by lot and payment at par, when the Bonds have reached that price. The right is reserved to pay off at par, after the 1st of December, 1873.

The revenue of Chili in 1858 was about £1,600,000, and the expenditure about £1,400,000. The British exports in 1859 were £1,474,563.

#### VENEZUELA.

The securities of this State consist of Active Capi-

tal and Deferred Capital. The Active Debt is a portion of the old Columbian debt, and amounts to about £1,900,000, having arrears of interest of about £840,000. The Deferred Capital amounts to £1,500,000.

The latest agreement, made in March, 1859, between His Excellency Senor J. Santiago Rodriguez, Minister Plenipotentiary from the Republic of Venezuela, at the Court of St. James, and the Committee of Spanish-American Bondholders, for the adjustment of the Foreign Debt of the said Republic, was as follows. It remains to be seen whether the stipulations will be fulfilled.

“Whereas a considerable amount of arrears on the ‘Active’ and ‘Deferred’ Foreign Debt of Venezuela have accumulated from 1847 up to 31st December last, and whereas the Government of the said Republic is desirous to liquidate the said arrears by an issue of Bonds for that purpose, and the holders of Venezuelan Bonds have agreed to accept such liquidation, and have also consented to a reduction in the interest on the entire Foreign Debt of the said Republic, it is agreed—

“1. The said arrears shall be discharged by Bonds of the Government of Venezuela, bearing interest in the manner following: that is to say, from the 1st January of the present year, to the 1st January, 1860,  $2\frac{1}{2}$  per cent. per annum; from the 1st January, 1860, and thenceforward without further increase, 3 per cent. *per annum*.

“2. The interest on the Active Bonds now exist-

ing, shall be fixed at the same rates, and commencing from the same dates as stipulated in Article 1; namely, from the 1st January of the present year, to the 1st January, 1860,  $2\frac{1}{2}$  per cent. per annum; and from the 1st January, 1860, and thenceforth, at 3 per cent. per annum.

“3. The interest on the ‘Deferred’ Bonds now existing, shall be fixed in the manner following: that is to say, from the 1st January of the present year, to the 1st January, 1860, 1 per cent. per annum; from the 1st January, 1860, and thenceforward,  $1\frac{1}{2}$  per cent. per annum, without further increase.

“4. The stipulated interest on the Bonds respectively named in the preceding articles, shall be paid in London half-yearly, on the 1st January and the 1st July in each year, without expense to the bondholders; the first half-yearly payment to be made on the 1st July next, through the medium of the agents appointed by the Government of Venezuela; and to avoid any contingencies, the produce of the revenues destined for the purpose of paying the charge on the foreign debt will be placed in London by the Government, in the hands of its fiscal agents, at least a month before the day appointed for the half-yearly payment as above stipulated.

“5. In order to carry into effect the stipulations contained in the preceding articles, the Government of Venezuela will cause new bonds to be issued representing the entire foreign debt of the Republic, and the said Government undertakes to issue such bonds so soon as the requisite arrangements for the purpose

can be effected, the said bonds to be signed by a commissioner appointed for that purpose by the Venezuelan Government, in London, and countersigned by the fiscal agent of the said Government here. The receipt and delivery of the new bonds in exchange for the old ones, and for the arrears, shall be effected by the aforesaid agents of Venezuela.

“6. The Government of Venezuela, in consideration of the concession of interest made by the bondholders, undertakes that, so soon as the revenues of the Republic shall amount to the sum of 4,000,000\$ annually, not less than 1 per cent. on the total revenue shall be set apart for the purpose of forming a redemption fund for the gradual extinction of the foreign debt, the amount of such fund, together with the interest of the bonds which may be redeemed, to be remitted to England, and applied to the said purpose; the redemption of the bonds to be effected by lot, at par, in case the price of such bonds is above par, and in other cases by the purchase of bonds in the market at the current price.

“7. In case the conversion of the ‘Deferred’ Bonds into ‘Active’ stock, referred to in Article 8, shall not take effect, the amount of the said sinking fund shall be applied in the redemption of the ‘Active’ and ‘Deferred’ Bonds, in the proportions of two-thirds to the Active and Arreared Bonds, and one-third to the Deferred Bonds.

“8. The Government of Venezuela, to simplify the operations on its foreign debt, undertakes to convert *the bonds* denominated ‘Deferred’ into ‘Active,’

bearing the same interest, 3 per cent. per annum, by giving £50 Active for every £100 Deferred Bonds, at the time of the new issues referred to in Article 5. In case, however, any of the holders of the last-named bonds should decline the conversion as proposed, the aforesaid sinking fund will then be applied to the redemption of the remaining bonds, in the exact proportion they bear to the capital of the active, arrears, and deferred converted put together; and any increase of the sinking fund that Venezuela shall hereafter make, will be applied to the redemption of either debt, in part or in the whole, at its own option.

"9. It is understood that the whole of the conditions contained in the preceding Articles shall be ratified without unnecessary delay; but that in case the same shall not be so ratified, then the present agreement shall be considered null and void, and the whole of the rights of the bondholders shall be revived in full force, as they existed previous to the signing of this agreement.

(Signed) "J. SANTIAGO RODRIGUEZ,  
"On behalf of the Committee of Spanish-American Bondholders.

(Signed) "JOHN FIELD,  
"Chairman (*pro tem.*)

"London, March 1, 1859."

The resources of Venezuela are amply sufficient to meet the engagements of the State, if they were prudently administered. The dividends are due on the Active Stock, April 1 and October 1. The London

agents are Messrs. F. Huth and Co. The trade of Venezuela is limited, the amount of British exports in 1859 being only £317,706.

NEW GRANADA ONE PER CENTS., 1845.

The external debt of this State, like that of Venezuela, forms part of the old Columbian debt. It is constituted of Active and Deferred Capital, each of £3,313,000, one-half of the entire of that debt being, by the agreement of 1834, apportioned to New Granada.

In 1845 the New Granada Government and the committee of Spanish-American bondholders came to an arrangement, of which the following is the substance :—

New Bonds issued for the principal, carrying 1 per cent. interest for four years, increasing  $\frac{1}{4}$  per cent. per annum till it reaches 6 per cent.

Bonds in compensation for the arrears and for the interest surrendered (so as to form a capital of £100 per cent. on the original debt) to be issued; these bonds to commence bearing interest at the end of 16 years, at the rate of 1 per cent. per annum, increasing  $\frac{1}{8}$  per cent. per annum till a maximum rate of 3 per cent. is attained.

Both classes of bonds to be admitted at par in purchases of national property.

The net proceeds of the tobacco revenue and half the customs' duties to be hypothecated for the payment *of the interest.*

According to this arrangement the dividends were paid till June, 1848, by Messrs. Baring Brothers, the agents in London of the New Granada Government. After this period, however, they fell into arrear. They were then discharged to December 1, 1849, by an issue of Treasury Bills, which were negotiable in payment of customs' duties in the proportion of  $14\frac{1}{2}$  per cent. No further dividend was paid till April, 1855, when Messrs. Baring Brothers paid the half-yearly dividend due June 1, 1850. In March, 1856, Messrs. Baring announced that they were prepared to exchange Peruvian  $4\frac{1}{2}$  per cent. bonds for New Granada coupons in arrear from December, 1850, to June, 1853, inclusive.

The Spanish-American bondholders' committee have constantly striven to effect an arrangement for the liquidation of outstanding arrears, but without success; the claims of the bondholders still amounting to some £400,000. The dividends are due June 1 and December 1, on the Active Stock, at Messrs. Baring Brothers and Co. It appears, according to a late statement published, that the foreign debt amounts to £6,500,000, and the home debt to £8,000,000, and in the present state of the country it is said no provision can be made for the payment or interest.

The revenue at present is not more than £450,000; while the expenditure is £460,000, leaving a deficiency; but the traffic through the Isthmus of Panama with America should assist to increase the resources of the State. The British exports in 1859 were £729,468.

## ECUADOR ONE PER CENTS., 1855.

This debt, like the Venezuelan and New Granada, is a portion of the old Columbian loan. The capital is nearly 2 millions sterling, in bonds ranging from £100 to £1000; but to this must be added considerable arrears of interest.

In November, 1854, through the exertions of Mr. Mocatta, an arrangement was arrived at, which gave to the bondholders a prospect of either selling or converting their stock. The following was the scheme which was accepted by the creditors, and ratified by the Government of the republic, and since carried into virtual effect:—

The debt to be reduced to £1,824,000; £1,424,000 being for the 21½ per cent. adopted by Ecuador, and £400,000 in exchange for the £1,000,000 sterling of arrears agreed to be cancelled. Interest at the rate of 1 per cent. per annum to be paid half-yearly, in May and November, so long as the customs of Guayaquil do not exceed 400,000 dollars per annum; but when they exceed this amount then a fourth of the excess to be appropriated for the benefit of the bondholders, till a maximum of 6 per cent. is attained. Agents for the bondholders to be appointed at Guayaquil to receive the funds, the Government of Ecuador meeting the necessary expenses. There were moreover certain other provisions giving the creditors a beneficial interest in the waste lands of the republic; and for these, land warrants were issued, with a proviso that 25 years were to be allowed for parties to take pos-

session. The details of this conversion are represented in the appended statement of the debt of Ecuador:—

Total unredeemed Columbian debt . . . . .	£6,625,950
Of this amount the proportion of the debt of Ecuador is . . . . .	£1,424,579
This amount was taken by agreement at . . . . .	1,424,000
Compensation for arrears of interest cancelled . . . . .	400,000
The total being . . . . .	£1,824,000
Less 7½ per cent., as per resolution passed at bond-holders' meeting in London, January, 1855 . . . . .	136,800
Leaving . . . . .	£1,687,200
This amount will allot to every holder of £1000 Columbian bonds . . . . .	254
The arrears of interest on the Ecuador portion of the Columbian debt, viz., £1,424,579 for 28 years at 6 per cent., were . . . . .	£2,482,120
Of this sum was cancelled by agreement, £1,000,000	
There was also to be deducted the amount transferred to Consolidated debt . . . . .	400,000
	1,400,000
Leaving the amount of the provisional bonds . . . . .	£1,082,120
Total amount of Peruvian bonds received . . . . .	\$860,000*
Less 7½ per cent. . . . .	64,500
	\$795,500
Which gives to every holder of £1000 Columbian bonds . . . . .	\$120

\* The preceding \$860,000, at the rate of 3 for 1, as per agreement with the Government of Ecuador, gives \$2,580,000 at 4s. per dollar £516,000

Which, deducted from the above £1,082,120, leaves, to be issued in provisional bonds . . . . .	£566,120
Less 7½ per cent. . . . .	42,459
	<hr/>
	£523,661

Which gives to every holder of £1000 in Columbian  
bonds . . . . .

£280

The bonds have been issued in the order following:—

Class A, 1 to 500, £1000 each, £500,000	
„ B, 1 to 4000, 250 „ 1,000,000	
„ C, 1 to 3240, 100 „ 324,000	
	<hr/>
	£1,824,000
	<hr/>

Land warrants were issued to the value of £566,120, and these are negotiable on the Stock Exchange. As the waste lands represented are considered valuable in mineral resources, this portion of the scheme is looked upon with favour. Up to a recent date the remittances on account of the dividend were made with punctuality, but the late war with Peru has once more caused a suspension. The dividends are payable, May 1 and November 1, at the Ecuadorian Agency, Austin Friars, London. No settled statement of revenue and expenditure can be arrived at, but it is, in a time of peace, amply sufficient to meet the claims of the bondholders. The trade with the United Kingdom is inconsiderable.

#### CUBA SIX PER CENTS., 1834 AND 1837.

*The Cuba Six per Cent. Loans were raised, for the*

purpose of railway-making, in the periods alluded to. £450,400 were contracted for in 1834, and £112,600 in 1837, making the total capital £563,000, issued in bonds, ranging from £100 to £1000. In addition to the receipts from the Cuban railways, the payment of interest and of sinking fund is secured from the revenues of the Commercial and Agricultural Association of Cuba, these revenues arising from the import and export duties of the island.

Cuba possesses all the natural elements of prosperity; and, in spite of political excitement and international squabbling, this prosperity has of late years considerably progressed. The net revenue allows of upwards of one million sterling being remitted to Spain. More than half the entire capital has been redeemed. The sinking fund is in full operation.

The dividends are due, March 5 and September 5, payable at Messrs. Baring Brothers and Co.

#### GUATEMALA SIX PER CENTS., 1825.

This debt originated, in 1826, in a contract for a loan of £1,428,570, or 7 millions of dollars. It was taken, at 75 per cent., in bonds of £100 to £500 each, bearing interest at 6 per cent. per annum. No more than £167,000, however, was ever issued to the public. The total, with arrears of interest, now amounts to £450,000. Up to February, 1828, dividends were paid out of advances made in this country, but from this time arrears accumulated, and the bondholders could not obtain any satisfaction for their claims. In

August, 1856, however, proposals were submitted to the committee of Spanish-American bondholders, which were ratified by them. Of these proposals the following is the substance :—

Guatemala recognizes, as a debt of the republic, one-third of £163,299, being the value of the bonds of the loan made by English merchants in 1824 (£54,433). The interest on this, from February 1, 1828, to January 31, 1856, is thus reduced to £45,567, which also is recognized. The £100,000, to which the above sums amount, is the debt recognized by the Government. This now forms one capital, bearing 5 per cent. per annum interest. The Government will issue bonds for this sum, to be called Bonds of the British Consolidated Debt of Guatemala. At the period of issuing these bonds, it shall be stated on the old bonds of the Federal Republic of Central America that the liability of Guatemala is thereby cancelled. The interest of the new bonds shall be paid in London every six months, to the committee of bondholders, by the agent of Guatemala; the first dividend on August 1, 1856; the second on February 1 following; and thenceforth on August 1 and February 1 of each succeeding year. The republic pledges its revenues, half of the proceeds of the maritime dues from June 1 next, for payment of interest and amortization (sinking fund). These proceeds to be remitted to the Guatemala agent in London, for payment of dividends, the residue, if any, to go towards the liquidation of the capital. Should such proceeds be insufficient for the full payment of the £5000 annual interest, the treasurer of

the republic shall make up the deficit from other sources. From January 1, 1860, instead of half of the maritime dues of the Custom-house of Izabal, there shall be apportioned a sixth of the maritime dues (Alcabala) collected in the Custom-house of the capital, to facilitate the liquidation of the debt. The Government shall have power to buy the bonds at the market value, through their agent in London. The responsibility of the republic of Guatemala is cancelled in favour of the British creditors for the debt of the Federal Republic of Central America, arising from the loan of 1824. Under date of May 26, 1856, the president in council, by advice of the Council of State, approved of the foregoing agreement, and announced that he would accordingly dictate measures for its due fulfilment.

The result of this has been the fulfilment of the arrangement, and the debt is now recognized, and the dividends are met with punctuality. They are payable in London, February 1 and August 1.

#### MEXICAN THREE PER CENTS., 1851.

The Mexican debt is constituted of the conversions of two loans contracted here in 1824 and 1825. The first was for £3,200,000, at 58 per cent., with 5 per cent. per annum interest; the second, also for £3,200,000, at  $89\frac{1}{4}$  per cent., at 6 per cent. interest. The first conversion was effected, in 1837-8, by Messrs. Lizard and Co. The Six per Cent. loan was converted into a Five per Cent. loan, through Messrs. Schneider and Co., at the rate of  $112\frac{1}{2}$  Five per Cents. for £100

of Six per Cents. A third conversion was effected through the Mexican Financial Agency. After several disappointments on the part of the bondholders, a proposal was made to, and accepted by them, as a final adjustment, for creating a new consolidated national debt, into which should be converted the Active and the Deferred Bonds and the Debentures, the whole amounting to £10,241,650, and being regarded as the entire foreign debt of the republic of Mexico.

Under this proposal the Active Bonds were converted at £90 for £100, including arrears of interest, excepting £2 10s., which was paid in cash; and the Deferred Bonds and Debentures, at the rate of £60 New Consolidated for £100 Deferred and Debentures. The total amount of New Consolidated Debt thus created was £10,241,650. The duties on certain customs, the export duty on silver from the Pacific, and certain portions of the tobacco revenues were allotted to the payment of the interest on this New Consolidated Fund, leaving a surplus for the redemption fund. This new arrangement was accordingly carried out, and bonds issued; but, in 1848, a new disturbance arose, in consequence of the breaking out of war with America, and the seizure by the United States of the ports of Vera Cruz and Tampico; remittances were thereupon again suspended. It was felt that, during the war, all attempts to obtain a settlement of the bondholders' claims would be futile; but on its termination, America having agreed to pay Mexico *15 million dollars* on the cession of territory, of which

California formed a part (though Mexico had previously pledged the revenue of this territory to her English bondholders), the Spanish-American committee urged their claims. Mr. W. P. Robertson was accordingly despatched by the Spanish-American committee, and the result was, that, on July 6, 1849, he entered into an agreement with the Mexican Minister of Finance as follows :—Interest to be reduced to  $3\frac{1}{2}$  per cent. from July, 1849, to July 1852 ; payment of arrears of interest from July, 1846 to 1849, at  $3\frac{1}{2}$  per cent., by appropriating 4 million dollars of the American indemnity ; and in case this were insufficient at the exchange of 4s. 8d. per dollar, the deficit to be given up in favour of Mexico. The difference in the rate of interest from July, 1846, to July, 1859 ( $1\frac{1}{2}$  per cent., or  $19\frac{1}{2}$ ), was to be ceded to Mexico entirely ; and in case the dividends of  $3\frac{1}{2}$  per cent. were not paid during this period, then the bondholders should be at liberty to annul the contract.

This convention was, however, subsequently modified. In 1850 a decree was sanctioned by Congress and the President, and on December 23, 1850, its provisions were accepted by the bondholders. The following is the substance of this agreement :—

If the creditors of the debt contracted in London, and converted in 1846, agree to the annexed conditions, the Mexican Government will give them a draft on the United States, payable out of the indemnity, for 2,500,000 dollars. The interest of the debt shall remain indefinitely reduced to 3 per cent. on the capital of £10,241,650 acknowledged by Mexico.

With the said 2,500,000 dollars, with what the creditors have already received, and with what they may receive on the approbation of this regulation, there shall be considered as paid all the interest due up to the date of the said regulation. The arrears on this debt keep steadily accumulating, and the state of internal anarchy precludes for the present the resumption of the payment of dividends.

#### TURKISH SIX PER CENTS., 1854.

This loan, amounting to £3,000,000, was contracted for by Sir I. L. Goldsmid and Messrs. Palmer, Mackillop, and Co., in 1854, in bonds ranging from £50 to £1000, with an understanding that it might be redeemed, at par, by equal annual instalments of £1 per cent. per annum, the first drawing to take place March 1, 1856. The general revenues of the country were pledged as security, and the tribute money of Egypt was also specially assigned for the same purpose, the amount being £282,000.

The Turkish Government reserved the right of redeeming the loan, in whole or part, at par, at the expiration of 15 years from January 1, 1855, on giving six months' notice. Of the original sum proposed, viz., £5,000,000, only £2,000,000 were issued, at 80 per cent., with a stipulation that the remainder should not be issued before five months from August, 1854, below 85 per cent. Under this stipulation, only £1,000,000 were issued, and, consequent on the war with Russia, it was announced that no more of this stock would be brought into circulation.

The dividends are due and payable, April 10 and October 10, at Messrs. Dent, Palmer, and Co.'s.

TURKISH FOUR PER CENTS., 1855.

This loan, £5,000,000, was concluded by Messrs. Rothschild Brothers, at  $102\frac{5}{8}$  ( $2\frac{5}{8}$  premium), with the joint guarantee of England and France. The following is the substance of the agreement under which the loan was contracted for :—

Interest at 4 per cent. per annum, payable half-yearly, on February 1 and August 1, until the capital is redeemed; the first payment due February 1, 1856.

A sinking fund of 1 per cent. per annum, together with the interest on so much of the loan as shall from time to time be redeemed, to be applied in redemption of the capital. The interest and sinking fund are made a charge on the revenues of the Ottoman empire, and specially on the annual amount of the tribute of Egypt remaining over that part appropriated to the loan of £3,000,000 in August, 1854, and moreover on the customs of Smyrna and Syria. The payment of interest is guaranteed by England and France. The Ottoman Government to have the right of redeeming at par the amount of certificates remaining unredeemed at the expiration of twenty years from August, 1859. The dividends are payable, February 1 and August 1, at the Bank of England.

The stock is regarded as a safe investment; but, notwithstanding the favourable auspices under which it was raised, it has scarcely acquired the public con-

fidence, a result which may be partly attributed to the doubts respecting the future progress of the Ottoman Government.

#### TURKISH SIX PER CENTS, 1858.

This loan of £5,000,000 was brought out by Messrs. Palmer, Dent, and Co., in October, 1858. The first operation was an issue of £3,000,000 at 85, with a subsequent attempt to issue £2,000,000, but only £1,380,000 could be placed. After various fluctuations in value, the final balance of £620,000 was negotiated through the Ottoman Bank, at the depreciated price of 62½. The security for this loan is not only the general revenues of Turkey, but the revenue arising from the Government octroi levied at Constantinople. The proceeds were destined to effect reforms in the financial condition of Turkey.

The dividends are payable the 1st of March and the 1st of September, at Messrs. Dent, Palmer, and Co., the bonds being drawn and paid off by lot in the usual manner.

The financial condition of Turkey at present is not favourable to the bondholders, but there are signs of improvement in the resources and finance of the country. The revenue previous to the war was about £6,500,000 per annum, and the expenditure somewhat less; but the state of affairs has since become thoroughly disorganized. The exports from the United Kingdom, in 1859, were £3,752,000.

**SARDINIAN FIVE PER CENTS., 1851.**

This loan, being the only Sardinian stock negotiable in the market, was contracted in 1851, through Messrs. C. J. Hambro and Sons, for 90 million lira (a lira is equal to  $9\frac{1}{2}d.$ ), at 5 per cent. per annum, in bonds of from £40 to £1000 each. The loan was secured on the revenues of the Government, and on the receipts of the railways from Genoa to Turin, and Genoa to Lago Maggiore (for the completion of which the loan was raised). A sinking fund of 1 per cent. per annum (about £86,000) was applied to the redemption of the loan, to commence in 1860. The Sardinian Government reserved the right of paying off the loan at par at the expiration of twenty years.

The dividends are payable, June 1 and December 1, at Messrs. C. J. Hambro and Sons'.

Sardinia, for so small a state, is heavily indebted, mainly occasioned by the late wars against Austria. The budget of 1859-60 exhibited a revenue of £5,970,000, and an expenditure of £6,300,000, or a deficiency of upwards of £300,000. The exports to Sardinia in 1859 were £1,406,000.

**SWEDISH FOUR PER CENT. PROVINCIAL MORTGAGE LOAN, 1852.**

This loan, amounting to £450,000, was contracted with Messrs. Palmer, Mackillop, and Co., in 1852, at 93 per cent., with a sinking fund of 1 per cent. per annum, the bonds ranging from £50 to £400 each. It

is guaranteed by the estates of the districts where certain improvements were effected, for which the loan was raised, and is, in fact, something similar to an English county loan. A payment of 13 per cent. was made on the issue of the scrip, the last instalment having become due in September, 1853. The bonds were to be redeemed at par, by drawings to the extent of 1 per cent. per annum. The dividends are regularly paid.

The dividends are payable, June 1 and December 1, at Messrs. Dent, Palmer, and Co.'s.

The stock is not popular in the London market, and has recently been sold at a discount.

#### SWEDISH FOUR-AND-A-HALF PER CENT. GOVERNMENT LOAN, 1858.

Raised under the authority of a resolution of the Royal Chambers, dated the 16th of September, 1857.

This loan of £1,228,575 was brought forward through Messrs. Ricardo and Co., but was eventually concluded abroad. Its object was to provide funds for the construction of railways. Only a portion was offered here, the remainder being raised at Hamburg, Amsterdam, and other places. Obligations or bonds to bearer of about £15, £30, £75, and £150 sterling, respectively, were to be issued to subscribers at the rate of 94½ per cent., making the calculation of the 1000 thalers equal to £140 15s., the bonds to be reimbursable at par within 40 years by means of half-yearly drawings.

The debt of Sweden is limited, being principally on account of railways, and until the crisis of 1857—58, the country made considerable progress. The latest budget presented a revenue of £1,816,000, and an expenditure of £1,680,000, showing a surplus of £136,000. Exports from Great Britain, in 1859, to Norway and Sweden, were £1,300,000.

The dividends are payable every six months, viz., 1st of January and 1st of July.

#### PERUVIAN SECURITIES.

Two descriptions of Peruvian stock are negotiated in London—the Four-and-a-Half per Cents. and the Three per Cent. Bonds. They both had their origin as follows :—A loan, in 1822, of £450,000, at 88 per cent., with interest at 6 per cent. per annum ; a loan, in 1824, of £750,000, at 82 per cent., with 6 per cent. interest ; and a loan, in 1825, at 78 per cent., also with 6 per cent. interest ; the total being £1,816,000. The bonds were issued in sums varying from £100 to £1000 each, the dividends being due April 1 and October 1.

Notwithstanding the revenues of Peru were pledged in favour of these loans (especially those of the Mint and Customs), the payment of dividends was suspended in 1825. Efforts on the part of the bondholders were futile till, in 1849, on the discovery of the guano deposits of Chincha, some progress was made towards a settlement. New bonds were accordingly issued, as a conversion of the loans of 1822 and 1825, the new

stock to bear 4 per cent. interest from April 1, 1849, to be increased annually  $\frac{1}{2}$  per cent. till it reached 6 per cent. Deferred bonds were to be issued for 75 per cent. of the arrears of interest, which amounted to some £2,600,000; these bonds to bear an interest of 1 per cent. per annum, increasing  $\frac{1}{2}$  per cent. per annum till it should reach 3 per cent. A sinking fund of 1 per cent. on the Six per Cent. Bonds, and of  $\frac{1}{2}$  per cent. on the Deferred Bonds, was also established for the redemption of the debt. For the fulfilment of these stipulations, the guano revenues of Peru were pledged, and if these were ever found insufficient, then the other revenues of the State were liable.

The debt was thus readjusted into two classes of stock—the first £1,800,000, and the second £1,900,000; total £3,700,000.\* The dividends were thereupon regularly paid, and the sinking fund fully carried out down to the close of 1852. In February of this year, Congress empowered the Finance Minister to contract a loan of £2,600,000, through the London agents, Messrs. Murrieta and Co., and Messrs. Hambro and Sons, to redeem the Six per Cent. Loan, then amounting to £1,536,000, and to refund a home debt of £600,000, bearing higher rates of interest. This loan was taken at 85 per cent., with interest of  $4\frac{1}{2}$  per cent. per annum, commencing March 1, 1853, and payable March 1 and September 1 each year.

The holders of the Six per Cent. Active Bonds

\* The operation of the Sinking Fund has since considerably reduced the amount, the transactions in this respect being punctually ratified.

were entitled to £118 10s. of Provisional Certificates in exchange for £100 of such Six per Cent.

£52,000, or 2 per cent. of the nominal capital, was to be annually appropriated to the redemption of the loan, the redemption to commence when the bonds are below par, and by drawings by lot when above par. The Government reserved the right of paying off at par so much of the loan as shall not have been redeemed at the expiration of ten years from the date of the contract. One-half of the net products of the guano exports to the United Kingdom were hypothe- cated as security for the payment of interest.

Although the above arrangement necessitated a loss of 13s. 5d. per cent. interest on the Six per Cent. Bonds, a premium of 18½ per cent. on the old bonds was offered, or the option of being paid off at par; but few holders acceded to the latter proposal. The interest on the Deferred Bonds was at once raised to 3 per cent., instead of allowing the stipulated period to lapse, which was 1857. The dividends have been punctually met, and the revenue from guano having increased, the Government has augmented the several sinking funds.\*

By a decree, dated Lima, the 24th of March, 1858, the sinking fund on the Four-and-a-Half per Cents. has been raised to 8 per cent. per annum, and on the Three per Cents. to 4 per cent. per annum.

The dividends are payable at the present agents,

\* To the credit of the Government, it must be stated that there appears every intention gradually to extinguish the debt.

Messrs. A. Gibbs and Son, London, 1st of March and 1st of September, for the Four-and-a-Half per Cents., and 1st of April and 1st of October, for the Three per Cents.

The Peruvian Government also possesses other liabilities, amounting to £3,000,000 sterling. Of this amount £1,800,000 was contracted by Messrs. Uri-barren and Co., of Paris; £800,000 with Messrs. Montané, of the same city; and £400,000 with Mr. J. Hegan, of Liverpool and Peru. All these stocks bear an interest of  $4\frac{1}{2}$  per cent., secured on the guano revenues. The refusal of the London Stock Exchange, however, to permit these stocks to be quoted has prevented their free circulation in this country.

The condition of Peru is favourable and progressive. In 1858—9 her revenue was £3,731,200, and her expenditure £3,272,000. The total of British exports to Peru in 1859 was £1,163,200.

#### AMERICAN SECURITIES.

During the last few years investment in the several securities of America have not been favourably regarded in this country, in consequence of the large losses which have accrued through the conduct of the repudiation of the States, and the dishonest practices of American speculators. During the year 1857, and the earlier part of 1858, the whole of the United States was more or less affected by a severe monetary convulsion. The suspension of numerous banks and mercantile firms tended to create great distrust

throughout the country, and naturally affected their extensive financial relations with Great Britain. At the date this is written, however, considerable progress has been made towards the restoration of commercial confidence; but, as in the case of the great American panic of 1836—7, it was long before order and prosperity were fully restored, so in this case the work progresses but slowly. It is to be hoped, however, that as it is now shown that this last panic has resulted from over-speculation, in which several of the banks had participated, the Americans will learn a lesson from the result, and will in future confine their operations within safer limits.

The monetary relations between America and England are necessarily rather close, and the securities of the United States are more or less dealt in on our Stock Exchange and among bankers and others. The Federal debt of America is that portion of the national debt for which the Federal Government is responsible. The amount of this debt is about £6,000,000, some considerable reductions having been made within the last few years.

The revenue of the United States for the year 1859—60 was £13,813,000, and the expenditure £14,628,000. The trade of the country has progressed considerably within the last few years, but since the panic of 1857 the mercantile community have been more cautious. The exports from England to the United States and California, in 1859, represented £14,491,400.

The securities forming the Federal Debt are issued

in bonds, with coupons attached, payable in the States, for 1000, 2000, or 3000 dollars each, dividends on these being due in January and July; also in certificates of 1000 to 10,000 dollars each, the dividends likewise being payable in January and July. The States into which North America is divided have moreover each their separate debt. These individual state debts have usually been contracted for internal improvements, for the organization of banks, road-making, railways, or canals. They are generally composed of securities, issued in bonds, with coupons attached, the interest on them being paid half-yearly; the dividends, when punctually discharged, being obtainable either in London or Paris. There are two or three brokers in London who specially dedicate themselves to this class of business; but transactions can be concluded through any respectable firm connected with the Stock Exchange.

The following are the Public Securities of the United States mostly operated in on the London market:—

GOVERNMENT SECURITIES.				<i>Interest payable.</i>
United States, 5 per cent., 1865 .....				Jan. July.
Do. 6 do. 1862 .....				„ „
Do. 6 do. 1867—68 .....				„ „
Do. 6 do. Bonds, 1862 .....				„ „
Do. 6 do. do. 1868 .....				„ „
Canada, 6 per cent. Sterling Bonds, 1874 .....				Feb. Aug.
Do. 6 do. do. 1876 .....				Jan. July.

STATE SECURITIES.	<i>Interest payable.</i>
Alabama, 5 per cent. Bonds .....	May. Nov.
Do. 5 do. Sterling Bonds.....	Jan. July.
California, 7 per cent. Bonds, 1870 .....	" "
Illinois, 6 per cent. Interest Improved Stock, 1847	" "
Do. 6 do. Interest Stock .....	" "
Indiana, 5 per cent. .....	" "
Do. 2½ do. ....	" "
Kentucky, 6 per cent. Bonds, 1868—72 .....	" "
Maryland, 5 do. Sterling Bonds .....	" "
Massachusetts, 5 per cent. Sterling Bonds ... ..	April. Oct.
Mississippi, 6 per cent. Pl. Bk. Bonds, 1841—71	Jan. July.
Do. 5 do. Union Bank Bonds .....	May. Nov.
New York, 6 per cent. Stock, 1860—62 .....	Jan. July.
Do. 6 do. do. 1864—67 .....	Jan. July.
Do. 6 do. do. 1872—73 .....	Apl. Oct.
Do. 5 do. do. 1858—60 .....	
Ohio, 6 per cent. Stock, 1860 .....	Jan. July.
Do. 6 do. do. 1870 .....	" "
Do. 6 do. do. 1886 .....	" "
Do. 5 do. do. 1866 .....	" "
Do. 5 do. do. 1886 .....	" "
Pennsylvania, 5 per cent. Stock.....	Feb. Aug.
Do. 5 do. Bonds, 1877 .....	" "
South Carolina, 5 per cent. Bds. (Barings), 1858—68	" "
Do. 5 do. do. (Palmers), 1866 ...	" "
Tennessee, 5 per cent. Bonds, Divers.....	Jan. July.
Do. 6 do. do. do. .....	" "
Virginia, 6 per cent. Bonds, 1886 .....	" "
Do. 5 do. Sterling Bonds, 1888 .....	" "

## CITY SECURITIES.

Albany, 6 per cent. Bonds, 1871—81 .....	Feb. Aug.
Brooklyn, 6 per cent. Bonds .....	Jan. July.
Boston, 5 per cent. Bonds, Divers .....	April. Oct.
Do. 5 do. do. 1883 .....	Jan. July.

CITY SECURITIES ( <i>Continued</i> ).	<i>Interest payable.</i>
Boston, 4½ per cent. Sterling Bonds.....	Jan. July.
Chicago, 6 per cent. Bonds, 1873—77 .....	" "
Cincinnati, 6 per cent. Bonds, Divers .....	Divers.
Jersey, 6 per cent. Bonds, 1877 .....	Jan. July.
Montreal, 6 per cent. Bonds, 1856—65 .....	{ Mar. Sept. Apl. Oct.
New York City, 5 per cent. Stock, 1858—68 {	Feb. May. Aug. Nov.
Do. do. 5 do. do. 1870—75 {	Jan. July. May. Nov.
New Orleans, 6 per cent. Stock, 1883 .....	Jan. July.
Do. 6 do. do. 1874 .....	May. Nov.
Do. 6 do. do. 1884 .....	Jan. July.
Philadelphia, 6 do. do. 1876—90 .....	" "
Pittsburgh, 6 per cent. Stock, 1869—83 .....	Divers.
San Francisco, 10 per cent. Stock, 1871 .....	May. Nov.
Do. 10 do. do. payable N.Y.	
Sacramento, 10 per cent. Stock, 1862—73 .....	Divers.
St. Louis, 6 per cent. Stock .....	Do.

## AMONG THE PRINCIPAL RAILWAY BONDS ATTRACTING ATTENTION ARE THOSE SUBJOINED.

NAMES OF COMPANIES.	AMOUNT.	NATURE OF BONDS.	INT. WHEN PAYABLE.	PAY AT	DUUE.
	DOLLARS.				
Illinois Central .....	17,000,000	{ 1st Mortgage—not convertible .....	7	1 April	1 Oct. N. Y.
Do. .... (Freelands) .....	3,000,000	, " 345,000 acres .....	6	"	1875
Do. .... Shares .....	4,000,000	40 dollars paid .....	7	March 1 Sept.	1880
Michigan Central .....		1st Mortgage—convertible .....	8	April October March	Bost. Sept.
Do. .... Shares .....		" , "	8	"	1889
New York Central .....	8,287,000	1st Mortgage—not convertible .....	6	May Novem.	N. Y.
Do. ....	3,000,000	, " conv. from 15 June, 1857—59	7	15 June	1883
Do. .... Shares .....		"	7	15 Dec.	1864
New York and Erie .....	3,000,000	1st Mortgage .....	7	May Novem.	"
Do. ....	4,000,000	2nd , convertible .....	7	March Sept.	1867
Do. ....	6,000,000	3rd , " .....	7	"	1859
Do. ....	4,351,000	Convertible till 1863 .....	7	Feb.	1883
Do. ....	3,500,000	Convertible .....	7	Jun.	1878
Do. ....	4,000,000	Sinking Fund .....	7	Feb.	1862
Do. .... Shares (Sterling) .....		"	7	Dec.	1875
Panama (do.) .....	2,000,000	1st Mortgage—not convertible .....	7	June	1869
Do. .... Pennsylvania Central .....	5,000,000	{ 1st , " .....	7	10 April	1885
Philadelphia and Reading Shares .....		1st Mortgage—convertible till 1880 .....	6	Jan.	1880
Pierre Haute and Alton .....	4,000,000	1st Mortgage—convertible till 1885 .....	7	Feb.	Aug. N. Y. 1882—72

**RAILWAYS.**

The railway system, though of modern growth, has now acquired gigantic proportions in this country, and, as offering an extended market for investment, demands reference. From the opening of the Liverpool and Manchester Railway, in 1830, the extension of railways was very rapid, and they have gone on increasing year by year. In 1840, there were 69 millions invested in railway stock; and, according to the Acts of Parliament which sanctioned railways, the share, capital, and borrowing powers of all the British railway companies amounted on the 31st of December, 1858, to 392 millions. Leaving out of the question, however, the borrowing powers, the capital actually invested in railways is enormous. In December, 1858, the total amount of capital raised for railway construction amounted to £325,000,000, representing an expenditure of £34,243 per mile of railways opened, including those in process of construction. Of this amount, £181,000,000 was ordinary share capital; £81,000,000 was raised by loans; and £61,000,000 by preference shares. The interest paid on preferential and loan capital averaged £4 12s. 7d. per cent., and the interest on the ordinary capital a fraction above 3 per cent. During the year 1858, the railway acts passed authorized a total increase of capital of £6,834,705.

Railways have always offered more or less a *favourite investment* in Great Britain. At one period a rage

for investment in these securities occupied the public mind, which is as memorable as the South Sea scheme, and the year 1845 was emphatically the year of the railway mania. The public, however, having passed through this excitement, a more just appreciation of the value of railway securities has succeeded, and railway stock now rises and falls according to the legitimate influences brought to bear upon it. The following is the mode of dealing in railway stock:—

Dealings in railway shares are almost always transacted for the periodical Account Days, which occur fortnightly. Railway bonds or railway debentures, however, are usually dealt in for cash, or for delivery in a few days, these securities being transferred with the interest due thereon added to the quoted price. Railway bonds and debentures are generally transferred at an amount including the expense of transfer, commission, etc., to pay the purchaser so much per cent. per annum. The intending purchaser of railway stock or shares gives his broker the order, and he accordingly buys for the coming Account Day. Having so far executed his commission, the broker furnishes his principal with a contract, giving the name of the stock, and the names and addresses of the buyer and seller, and usually there is added to this a statement of all the expenses attending the entire transaction, such as commission, transfer-fee, stamp, etc.

The dealing in railway securities is much more complicated than in Government funds. Transactions in the latter can usually be negotiated in a few hours, while those in the former demand the attention of the broker

for several days. On the morning of the day before the Account Day the purchaser gives to his broker the name and address of the party to whom the shares are to be transferred ; the ticket bearing these particulars giving rise to the day being called the Name Day, or Ticket Day. This ticket may be circulated from hand to hand, as a document of so much value, as the broker who issues it must pay the sum represented, when presented with the requisite transfer and certificates. On the Account Day the broker, being supplied with the requisite funds, completes the purchase on behalf of his principal. Shares are usually delivered on the Account Day for which they were bought, but the Stock Exchange does not enforce the delivery till ten days subsequently. On obtaining the transfer and certificates the purchaser accepts the former, and the broker thereupon forwards it to the railway company for registration. After registration the broker supplies the purchaser with vouchers in proof of the shares having been so registered in the purchaser's name. Most of the railways now arranging that their shares shall represent stock (so many shares to £100 stock), one document only is in this case required for the full amount : this document is called a Coupon, and ordinarily completes the transaction.

The operations in foreign railways are rather extensive, and a large amount of English capital is invested in the French companies. The active supervision of the railway department at the Stock Exchange, whence the members derive their chief information, is under the immediate attendance of Mr. M. Slaughter,

whose statistical publications are, it appears, regarded as a high authority.

The following tables exhibit, 1st, the ordinary shares and stocks which are dealt in on the Stock Exchange; 2nd, the preference shares; and 3rd, the lines leased at fixed rentals, presenting at one view the whole of the English and foreign railway securities negotiable in this country :—

#### ORDINARY SHARES AND STOCKS.

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
Ambergate, Notting. Boston, & Eastern Jn.	84,543	12½	10
Antwerp and Rotterdam (6½ fcs.) . . .	50,000	10	all
Do. 5 per cent. Obligations . . .	2,000	40	all
Ardennes . . . . .	27,334	20	all
Do. New . . . . .	29,832	20	10
Do. New . . . . .	27,334	20	4
Bahia & San Francisco, Lim., Gua. 7 per ct.	90,000	20	7
Belfast and County Down . . . .	4,500	50	all
Belfast and Ballymena . . . .	7,700	50	all
Belgian Eastern Junction . . . .	42,500	5	all
Beziers to Graissessac . . . .	36,000	20	all
Birmingm., Wolverhampton, & Stour Valley	55,500	£13 14s.	all
Birkenhead (Stock) . . . .	1,941,506	£.....	100
Bristol and Exeter (Stock) . . . .	2,000,000	£.....	100
Buenos Ayres & San Fernando, Limited . .	15,000	10	2½
Buffalo and Lake Huron . . . .	30,000	20½	all
Caledonian (Stock) . . . .	3,404,054	£.....	100
Carmaux Mining and Railway (2 fcs.) . .	116,000	6	all
Cork and Bandon . . . .	3,801	50	all
Cork and Youghal . . . .	37,500	10	all
Cornwall . . . .	28,448	20	all
Do. A. } A. receivg no div. until 6 per ct.	of	10	all
Do. B. } per ann. has been paid to B. !	£20	10	all
Deeside . . . .	10,625	10	7½
Demerara . . . .	7,740	17½	all
Dublin and Drogheda . . . .	6,000	75	all
Do. do. Thirds . . . .	6,000	25	all

## Ordinary Shares and Stocks—Continued.

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
Dublin and Belfast Junction . . .	15,300	50	all
Dublin and Wicklow . . .	.....	10	all
Dundalk and Enniskillen . . .	5,859	30	all
Dundee, Perth, and Aberdeen Junction . . .	12,000	25	all
Dutch Khenish . . .	100,000	20	15
East Anglian (Stock) . . .	1,033,606	£.....	100
Eastern Counties (Consolidated Stock) . . .	5,833,610	£.....	100
Eastern of France (div. for 1859 18f. 70c.) . . .	500,000	20	all
Eastern Union, A. Stock . . .	271,075	£.....	100
Do. do. B. Stock . . .	873,950	£.....	100
Do. do. New A., late E. U. Thirds . . .	2,327	25	8½
Edinburgh and Glasgow (Stock) . . .	2,223,375	£.....	100
Edinburgh, Perth, and Dundee (Stock) . . .	1,269,082	£.....	100
Euphrates Valley Scrip . . .	50,000	20	2s.
Geelong and Melbourne . . .	17,500	20	all
Glasgow and South Western (Stock) . . .	2,825,073	£.....	100
Grand Russian . . .	327,668	20	6
Do.	272,332	20	all
Grand Trunk of Canada (Stock) . . .	2,781,600	£.....	100
Do. 6 per cent. Bonds, Convertible 1863 . . .	1,811,600	£.....	all
Do. 6 per cent. Preference Loan . . .	2,000,000	£.....	all
Great South & Western (Ireland) (Stock) . . .	2,810,317	£.....	100
Great Western (Stock) . . .	8,201,460	£.....	100
Do. do. Stour Val. Railway, Guar. Stock . . .	190,087	£.....	100
Great Western Rail. of Canada, Original . . .	91,599	20½	all
Do. do. New . . .	78,101	20½	18
Do. 6 per ct. Bonds, pay. 1862 . . .	.....	100	all
Do. do. 1876, con. 1860 . . .	250,000	100	all
Do. do. 1873, non-con . . .	.....	100	all
Do. do. 1873, con. 1860 . . .	.....	100	all
Do. 5½ do. do. 1877, non-con . . .	.....	.....	.....
Great Northern (Original Stock) . . .	4,808,438	£...	100
Do. A. Stock { A. receiving no dividend until 6 per cent. per ann.			100
Do. B. Stock { has been paid to B.			100
Great North of Scotland (Stock) . . .	.....	£.....	100
Great Luxembourg—Constituted Shares . . .	100,000	20	all
Do. 5 per cent. £4 Obligations . . .	113,312	4	all
Do. do. 5 per cent. £20 do. . .	25,000	20	all
Irish South Eastern . . .	52,500	12	all
Italian Junction . . .	50,000	20	all
Lancashire and Yorkshire (Stock) . . .	12,167,994	£.....	100
London and South Western (Stock) . . .	7,156,087	£.....	100
London, Brighton, & South Coast (Stock) . . .	4,618,504	£.....	100
London, Chatham, and Dover . . .	28,000	25	all

*Ordinary Shares and Stocks—Continued.*

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
London and North Western (Stock)	22,197,281	£.....	100
Do. do. Eighths . . .	244,368	12½	10
London and Blackwall (Stock) . . .	1,382,210	£.....	100
Londonderry and Coleraine . . .	6,700	25	all
Londonderry and Enniskillen . . .	4,240	25	all
Llynvi Valley (Stock) (div. and Bonus) . . .	69,080	£.....	100
Lyons and Geneva (10 fcs.) . . .	80,000	20	all
Maria Antonia . . .	8,000	33½	32½
Do. do. New . . .	8,000	10	10
Manchester, Shef. & Lincolnshire (Stock)	3,943,581	£.....	100
Metropolitan . . .	50,000	10	3
Mid Kent . . .	3,200	25	all
Midland Great Western (Ireland) . . .	20,000	50	50
Do. do. Halves . . .	16,000	25	all
Midland (Stock) . . .	9,130,621	£.....	100
Do. Birmingham and Derby (Stock)	978,533	£.....	100
Namur and Liège . . .	26,595	20	all
Newcastle and Carlisle . . .	.....	100	all
Newport, Abergavenny, and Hereford . . .	22,220	25	all
Newry and Armagh, Deferred . . .	.....	10	9
Newry, Warrenpoint, and Rostrevor . . .	5,000	20	all
Norfolk (Stock) . . .	1,002,190	£.....	100
Northern Counties Union . . .	60,000	50	3½
North Eastern—Berwick (Stock) . . .	5,149,917	£.....	100
Do. do. do. Extensions .. .	45,415	25	all
Do. do. do. Pref.(not converted)	40,937	25	{ 8 8½
Do. do. Leeds (Stock) . . .	1,398,800	£.....	100
Do. do. York (Stock) . . .	3,220,125	£.....	100
North London (Stock) . . .	975,000	£.....	100
North and South Western Junction . . .	6,500	10	all
Do. Hammersmith Branch . . .	1,500	10	all
North Staffordshire . . .	168,500	20	17½
North British (Stock) . . .	2,613,338	£.....	100
North Devon Railway and Dock (Stock)	Repre-	£...	
Do. A. Stock { A. receiving no divi-	senting a	£...	100
Do. B. Stock { dend until 6 per cent.	capital of	£...	100
has been paid to B..	£294,920	£...	100
Northern of France, half-year's int. 8 fcs., and 65½ fcs. balance of 1859 div., say 73½ fcs. . .	400,000	16	all
Do. New, issued at £23 (7 fcs. 50 c.) . . .	125,000	16	12
Do. £20 Shares (late Charleroi and E.) . . .			
Gua. 3½ per c., and redeemable at £22 in 88 years, from 1st January, 1854	11,418	20	all

*Ordinary Shares and Stocks—Continued.*

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
Northern of France £20 3 per cent. Bonds, late Boulogne and Amiens Shares . . . . .	75,000	20	all
Oude (Limited) Scrip . . . . .	50,000	20	5s.
Oxford, Worcester & Wolverhampton (Stock)	1,500,000	£.....	100
Paris, Lyons, and Mediter., 1859 div. 63 f.	577,500	20	all
Paris and Orleans, 67 fcs. bal. of 1859 div.	800,000	20	all
Peebles . . . . .	72,000	20	all
Portsmouth . . . . .	20,000	20	all
Recife & San Francis. (Pern.) Lim. Gu. 7 p.c.	60,000	20	13
Riga and Düinaburg . . . . .	81,600	20	10
Rome and Frascati . . . . .	32,000	10	all
Royal Danish . . . . .	27,000	20	all
Royal Swedish . . . . .	.....	5	all
Do. 5 per cent. Obligations . . . . .	.....	4	all
Sambre and Meuse . . . . .	31,000	20	all
San Paulo (Brazil.) Limited, Gua. 7 per ct.	100,000	20	2
Scottish Central (Stock) . . . . .	1,020,000	£.....	100
Scottish North Eastern—"Aberdeen" Stk.	830,000	£.....	100
Do. do. "Scottish Mid." Stk.	600,000	£.....	100
Shropshire Union (Stock) . . . . .	1,552,564	£.....	100
South Austrian and Lombardo-Venetian half-year's interest and 1859 dividend . . . . .	750,000	20	10
Do. do. Obligations (7½ fcs.) . . . . .	136,250	20	all
South Eastern (Stock) . . . . .	7,433,700	£.....	100
South Devon (Stock) . . . . .	1,469,425	£.....	100
South Wales (Stock) . . . . .	2,453,500	£.....	100
South Yorks. Railway & Riv. Dun (Stock)	613,460	£.....	100
Southern of France (10 fcs.) . . . . .	184,400	20	all
Staines, Wokingham, and Woking . . . . .	15,000	20	all
Stockton and Darlington . . . . .	24,000	25	all
Taff Vale (Stock) . . . . .	759,000	£.....	100
Tournay, Jurbise, Landen, and Hasselt . . . . .	25,000	20	all
Trinidad (Limited) . . . . .	30,000	10	1
Vale of Neath (Stock) . . . . .	550,000	.....	100
Victoria Station and Pimlico Railway . . . . .	22,500	10	all
Waterford and Limerick . . . . .	15,000	50	all
Waterford and Kilkenny (Stock) . . . . .	250,000	£.....	100
West Cornwall . . . . .	16,065	20	20
West Flanders . . . . .	26,757	8 <i>½</i>	all
West Hartlepool Harbour & Rail. (Stock)	496,000	£.....	100
W. & N.W. (of France), 1859 div. 20 fcs.	300,000	20	all
Western of Switzerland . . . . .	16,250	20	all
Zealand (Denmark) . . . . .	26,750	20	all

## PREFERENCE SHARES.

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
d Exeter, 4 per cent. Stock .	1,200,000	£.....	100
n, 4½ per cent. Guaranteed Stock .	£745,180	£.....	100
Preference Quarters, No. 2 .	30,000	12½	all
Bandon No. 1 Preference .	7,680	6½	all
5 per cent. Preference .	15,000	20	all
Perth, & Aberdeen Junct. Qtrs. .	18,094	6½	all
lian—Class A—5 per cent. Stock .	42,950	£... ...	100
Class B—6 per cent. Stock .	120,000	£.....	100
Class C—7 per cent. Stock .	70,873½	£.....	100
ounties Extension Stock, No. 1 .	958,180	£.....	100
lo. do. Stock, No. 2 .	959,014	£.....	100
lo. 6 per cent. Stock .	618,817	£.....	100
union, 4 per cent. Stock .	.....	£.....	100
a and Glasgow, 5 per cent. .	27,500	10	9
i, Perth, & Dundee, Granton Stk. .	97,720	£.....	100
r cent. £5 Preference Stock .	.....	£.....	100
k South West., Gua. 5 pr. c. Stk. .	156,250	£.....	100
do. 5 per ct. Preference Stock .	250,000	£.....	100
thern and Western, 4 per ct. Stk. .	50,000	£.....	100
thern, 5 per cent. Stock .	1,301,362	£.....	100
.c. Pref. Stk. redeem. at 10 p.c. pm. .	750,000	£.....	100
per cent. do. " "	810,000	£.....	100
r ct. Pref. do., red. at 5 pr. ct. pm. .	£1,000,000	100	80
tern (Berks and Hants Exten.) .	10,000	50	6
deemable 4½ per cent. Stock .	1,963,500	£.....	100
do. 4 per cent. Stock .	129,000	£.....	100
deemable 4 per cent. Stock .	1,407,500	£.....	100
deemable 5 per cent. Stock .	.....	£.....	100
ningham Preference Shares .	19,375	8	all
ster Preference Shares, 8 per ct. .	17,500	10	all
do. do. 5 per ct. .	17,340	10	all
mington Guaranteed Stock .	1,000,000	£.....	100
ster Guaranteed Shares .	6,000	26½	all
o. do. do. .	15,000	13	all
o. do. do. .	21,880	20	all
s and Yorkshire, 6 per ct. (Stk.) .	1,081,884	£.....	100
South Western, 7 per ct. (Stk.) .	171,277	£.....	100
ortsmouth Annuities" of 2s. 6d. .	.....	.....	.....
righton, & S. Coast, 6 per cent. Stk. .	393,395	£.....	100
do. Gua. 5 per cent., Stock .	398,268	£.....	100
Aug. 1850 (late Croy. Thirds) .	161,013	£.....	100
st. 5 p. c. Stk. 1851, fm. £50 Sh. E. .	20,000	25	all

*Preference Shares—Continued.*

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
Lon. & N. Wes., Cov. & Nuneat., 5 p. c. Stk.	270,000	£.....	100
Londonderry and Enniskillen, Half .	20,064	12½	all
Londonderry and Coleraine, Half .	10,310	12½	all
Manchester, Sheffield, and Lincolnshire, £6	172,500	6	4½
Do. 6 per cent. Stock . . . .	872,000	£.....	100
Do. 3½ per cent. Stock . . . .	366,698	£.....	100
Midland Consolidated 6 per cent. Stock .	25,000	£.....	100
Do. Consolidat. Bristol and Bir. Stock	1,799,903	£.....	100
Do. Erewash Valley Stock . . .	145,000	£.....	100
Do. 4½ per cent. Stock, Redeemable, if so determined by the Proprietary .	1,287,416	£.....	100
Do. Leicester and Hitchin Stock .	675,000	£.....	100
Namur and Liége, 6 per cent. . . .	10,000	20	all
Newport, Abergavenny, &c. 5 p. c. Redeem.	10,000	10	all
Do. 6 p. c. Perp Pref. with opt. till 1866	21,684	10	all
Norfolk Debenture Stock . . . .	424,190	£.....	100
Do. 5 per cent. Extension Stock, 1846 .	300,000	£.....	100
Do. 5½ per cent. Pref. Stock, 1847 .	105,000	£.....	100
Do. 5 p. c. Wavey. Val Ext. Stock, 1847	40,000	£.....	100
North Staffordshire Preference . .	58,500		all
North British 5 per cent. Stock . .	780,200	£.....	100
Do. New Guaranteed Stock, 5 per cent.	226,272	£.....	100
North Eastern—Irredeem. 4 p. c. Deb. Stk.	.....	£.....	100
Do. do. "Berwick" Guaranteed Stock.	.....	£.....	100
Do. do. "Leeds" 1848, 6 per ct. No. 1.	7,650	20	13
Do. do. do. do. " 2.	4,000	20	17
Do. do. do. do. " 3.	7,465	20	5
Do. do. do. Quarters, 1845-6 .	9,995	12½	9
Do. do. do. Fifths, 5 per ct. in per.	3,335	10	all
Do. do. "York" H. and S. Purchase .	60,872	25	10
Norwegian Trunk Preference } Div. for	5,625	20	all
Do. do. do. . . . } the year.	11,250	10	all
Oxf., Wor., & Wol. 4½ per cent. Deben. Stk	.....	£.....	100
Do. (6 per cent.) "1st Guaranteed Stk."	849,990	£.....	160
Do. (6 per ct. Redeem.) "2nd Gua. Stk."	.....	£.....	100
Do. (6 per cent. Irredeemable) do.	200,000	£.....	100
Sambre and Meuse, 5½ per cent. . .	17,000	10	all
Scottish Central, New Pref. £8 6s. 8d.	17,819	8½	all
Scottish N.E.—"Aberd." Gua. 6 p. c. Stk.	276,667	£.. ...	100
Do. do. 7 per ct. Pref. Stk.	150,000	£.....	100
Do. do. 3½ per ct. Pref Stk.	.....	£.....	100
South East. "Reading Annu." of £1. 0s. 6d.	40,000	£1 0s. 6d.	all
Do. 4½ per cent. (Stock) . . . .	481,700	£.....	100
South Devon, Annuities of 10s.	20,000	10s.	all

*Preference Shares—Continued.*

RAILWAYS.	SHARES.		
	Number.	Amount.	Paid.
South Wales Guaranteed 4 per cent. Stock	169,900	£.....	100
Do. do. 4½ per cent do. .	416,026	£.....	100
Do. do. Redeem. 5 per cent. do. .	257,380	£.....	100
Do. do. 5 per cent. Shares	.....	20	13
Stockton and Darlington, A. 5 per cent. .	18,000	25	all
Do. B, 6 per cent. .	34,000	25	all
Do. C. 6 per cent. .	8,000	25	all
Waterford & Kilkenny, 6 per c. Pref. Stk.	200,000	£. ...	100
West Flanders, 5½ per cent. Preference .	14,013	10	all

## LINES LEASED AT FIXED RENTALS.

RAILWAYS.	SHARES.			LEASING COMPANIES.
	Number.	Amount.	Paid.	
Bomb., Baro. & Cen. In. Stk. } Gua.	750,000	£.....	100	Indian Governmt.
Do. New "B" ..... } 5 p. c.	55,555	18	13½	Ditto
Buckinghamshire (Stock) .....	1,245,000	£.....	100	Lon. & N. Westn.
Calcutta & South Eastern (Lim.) }	50,000	5	23s.	Indian Governmt.
Gua. 5 per cent. ....				
Cape Town Rail. & Dock, Gua. 6. p. c.	25,000	20	3	Cape Government
Ceylon, Guaranteed 6 per cent. ....	40,000	20	7½	Ceylon Governmt.
Chester and Holyhead (Stock) .....	2,100,000	£.....	100	Lon. & N. Westn.
Do. 5½ per cent. Stock .....	630,000	£.....	100	Ditto
Do. 5 per cent. Stock .....	254,565	£.....	100	Ditto
Clydesdale Railway Guaranteed Stk.	450,000	£.....	100	Caledonian
Col. Stour Valley, Sudy., & Halstead	228,239	£.....	100	E. Un. & E. C.
Eastern Bengal, Gua. 5 per cent. ....	50,000	20	5	Indian Governmt.
East Indian, Stock }	7,200,000	£.....	100	Ditto
Do. do. F. Shares } Guar. {	50,000	20	15	Ditto
Do. Jubbulpore ..... } 5 per ct. {	100,000	20	15	Ditto
East Lincolnshire (Stock) .....	600,000	£.....	100	Great Northern
Eastern Union—Harwich Shares ..	40,000	5	all	Eastern Counties
Grand Russian .....	600,000	20	6	Russian Governmt.
Great Indian Penin. Stk. } Gua. {	4,500,000	£.....	100	Indian Governmt.
Do. Shares ..... } 5 p. c. {	175,000	20	6	Ditto
Glasg., Barr., & Neilston Direct Stk.	160,000	£.....	100	Caledonian
Do. New ditto .....	125,000	£.....	100	Ditto
Glasgow, Garnkirk, etc. .....	5,560	25	all	Ditto
Do. do. Quarters .....	2,779	6½	all	Ditto
Gt. S. of India, Lim., Gua. 5 p. c. ....	25,000	20	10	Indian Governmt.
Gloucester and Dean Forest .....	10,160	25	all	Great Western
Hull and Selby .....	8,000	50	all	North Eastern
Do. do. Halves .....	8,000	25	all	Ditto

*Lines Leased at Fixed Rentals—Continued.*

RAILWAYS.	SHARES.			LEASING COMPANIES.
	Number	Amount.	Paid.	
Hull and Selby, Quarters .....	8,000	12½	all	North Eastern
Lancaster and Carlisle (Stock) .....	2,420,300	£.....	100	L. and N. W.
London and Greenwich Stock .....	861,540	£.....	100	South Eastern
Do. 5 per cent. Pref. Stock .....	222,720	£.....	100	Ditto
London, Tilbury, & Southend Stk. ....	600,700	£.....	100	Peto and Co.
Lowestoft R. & H. Gua. 4 p. c. Stk. ....	120,000	£.....	100	Norfolk
Do. do. Gua. 6 p. c. Stk. ....	120,000	£.....	100	Ditto
Madras Gua. 4½ per cent. Stock .....	500,000	£.....	100	Indian Governmt.
Do. Gua. 5 p. cent. Extns. do. 1....	1,500,000	£.....	100	Ditto
Do. Gua. 4½ p. cent. do. do. 2....	1,000,000	£.....	100	Ditto
Do. Gua. 5 p. cent. do. No. 4....	50,000	20	10	Ditto
Manchester, Buxton, Matlock, etc. ....	.....	5½	all	L. & N. W. & M.
" Midland Bradford Pref. Stock" .....	1,800,000	£.....	100	Midland
Newmarket Extension Gua. 5 p. c. ....	27,000	6½	5.5.6	Eastern Counties
Northern and Eastern 5 per cent....	16,862	50	all	Ditto
Do. do. 6 per cent....	5,391	50	all	Ditto
Do. do. Fixed 5 p. c. ....	1,355	50	all	Ditto
North Western .....	30,278	20	all	Midland
Do. 5 per cent. Preference.....	8,419	15	all	Ditto
Preston and Wyre .....	14,520	25	all	L. & N.W.&L.&Y.
Do. do. Preference .....	1,200	25	all	Ditto
Do. do. Halves A.....	16,720	12½	all	Ditto
Do. do. B. Consolidated .....	1,840	25	all	Ditto
Do. do. Sixths .....	6,000	4½	all	Ditto
Royston, Hitchin, & Shepreth (Stk.) ....	266,875	£.....	100	Great Northern
Scinde Stock .....	1,000,000	£.....	100	Indian Governmt.
Do. Punjab .....	5 per	75,000	20	Ditto
Do. Indus Stm. Flotilla Stk. (cent. ....)	250,000	£.....	100	Ditto
South Staffordshire .....	78,750	12	all	Mr. M'Clean
Shrewsbury and Hereford (Stock)....	371,700	£.....	100	Mr. T. Brassey
Wilts and Somerset (Stock) .....	1,500,000	£.....	100	Great Western
Wimbledon and Croydon .....	4,450	10	all	London & Brighton

## THE JOINT-STOCK BANKS.

The facts identified with the joint-stock banking system deserve a place in any guide to investment on account of the large amount of money employed therein, as well as from the influence exercised by

those institutions upon the general commerce and monetary affairs of the country.

The joint-stock banks first started, which have proved pre-eminently successful, are the London and Westmister, the London Joint-Stock, the Union of London, the London and County, and the Commercial of London Banks. These were established under the provisions of the 7th of Geo. IV., cap. 46, sec. 4, and for a period of fifteen to twenty-one years monopolized the principal of the joint-stock banking business of the metropolis.

Joint-stock banks, as at present constituted, owe their origin to an Act of Parliament, the 7 and 8 Vict. cap. 113 (1844), which was entitled, "An Act to regulate Joint-Stock Banks in England and Wales." By this measure it was made compulsory for all projectors of a joint-stock bank to obtain a charter of incorporation. The leading provisions of the Act were, that no share should be less than £100, that one-half of the proposed capital should be paid up, and that such paid-up capital in the aggregate should not be less than £50,000. Under this Act the notorious Royal British Bank, the City Bank, the Western Bank of London, the Bank of London, and the Unity Bank were incorporated.

This Act is now, however, repealed, and in its stead is the 20 and 21 Vict. cap. 49 (1857), which empowers any number of proprietors, not less than seven, to form a bank, without any charter, the chief provision being that the shares shall not be less than £100 each, one-half of which must be paid up. Joint-

stock banks formed under this Act are composed of shareholders, each and all of whom are liable, individually and in the aggregate, for all the losses of the bank.

Joint-stock banks formed under the Act of 1844 were compelled to be registered by the Act of 1857; but with regard to banks formed previous to 1844, the registration was optional. The attempt to introduce limited liability it is thought will be successful; but at present full support has not been given to the measure. It is proposed, in cases of this description, to double the liability to the amount of the original capital.

Subjoined is an analysis of the transactions of the joint-stock banks, exhibiting the respective amounts of capital paid up, current and deposit accounts, and total assets available after paying dividends and bonus. The figures also present the reserved funds, net profits, and amount and rate of dividend and bonus for the half-year. The total amount of capital paid up is £3,899,045; of current and deposit accounts, £39,855,078; and the aggregate assets, after the payment of dividends, exceed £44,514,000. The reserved funds amount to £762,003; the net profits to £357,204, and the amount of dividend and bonus for the half-year to £281,500. Compared with the corresponding period of 1858, the Union Bank of London shows a decrease of deposits amounting to £827,974, and the London and Westminster a decrease also of £350,118. The following banks exhibit *an increase* of deposits, viz.:—London and County,

£710,903; City, £473,229; Bank of London, £298,238; London Joint-stock, £189,075; Unity, £34,016; and Commercial Bank of London, £23,430, the increase in the aggregate amounting to £550,800, on the year ending 1858.

Year Established.	Banks.	Liabilities.		Assets.
		Capital Paid up.	Current and Deposit Accounts.	Total Assets available after paying Dividend and Bonus.
1834	London and Westminster .....	1,000,000	11,115,697	12,325,170
1836	London Joint-stock .....	600,000	9,556,797	10,398,791
1839	Union Bank of London .....	720,000	9,318,391	10,149,810
1839	London and County .....	500,000	4,975,029	5,600,413
1839	Commercial Bank of London .....	300,000	926,314	1,306,057
1855	City Bank .....	300,000	2,222,976	2,566,628
1855	Bank of London .....	300,000	1,599,140	1,918,677
1855	Unity Bank .....	179,045	140,734	249,358
		3,899,045	39,855,07	44,514,904

## PROFITS.

Banks.	Re- served Fund.	Net Profits for the Half- year.	Amount of Dividend and Bonus for the Half-year.	Rate of Dividend and Bonus for the Half-year.
		£	£	Per Cent.
London and Westminster .....	200,000	105,413	100,000	10
London Joint-stock .....	229,370	84,153	70,500	11 $\frac{1}{2}$
Union Bank of London .....	94,633	70,664	54,000	7 $\frac{1}{2}$
London and County .....	110,000	44,083	30,000	6
Commercial Bank of London .....	75,000	14,229	10,500	3 $\frac{1}{2}$
City Bank .....	33,000	16,988	9,000	3
Bank of London .....	20,000	19,243	7,500	2 $\frac{1}{2}$
Unity Bank .....	—	2,421	—	—
	762,000	357,204	281,500	

The Joint-Stock Bank Shares dealt in at the Stock Exchange are comprised in the following list, and of

course include the Metropolitan establishments already referred to. Except at periods of general excitement, they are not extensively bought or sold, holders preferring to continue their investments, and to take dividends. During the crisis of 1857—58, the failure of some of the Provincial institutions created alarm, and the value of even the best securities was for a time depreciated, but since a partial recovery has occurred. The Australian Banks, at the date of the gold discoveries, were run to an enormous quotation, but they are now generally lower :—

## GENERAL JOINT-STOCK BANK SHARES.

BANKS.	Number.	Share.	Amount paid.
Agra and United Service (Limited) .....	20,000	100	50
Australasia .....	22,500	40	all
Bank of Egypt.....	10,000	25	all
Bank of London.....	6,000	100	50
Bank of Turkey .....	50,000	20	3
British North American .....	20,000	50	all
Chartrd. Bank of India, Aust., & China ..	32,200	20	all
Chartrd. Merc. of India, Lon., & China ..	20,000	25	all
City.....	6,000	100	50
Colonial.....	20,000	100	25
Commercial Bank of Canada .....	40,000	20.11	all
Commercial of London .....	25,000	100	20
English, Scottish, & Austral. Chartered ..	25,000	20	all
Generl Bank of Switzerland .....	80,000	20	all
London Chartered Bank of Australia .....	35,000	20	all
London and County .....	25,000	50	20
London Joint Stock .....	60,000	50	10
London and Westminster .....	50,000	100	20
National Provincial of England .....	10,000	100	35
Do. New .....	25,000	20	10
National Bank.....	20,000	50	25
New South Wales .....	25,000	20	all
Do. New .....	12,500	20	all
Oriental Bank Corporation .....	50,400	25	all
Ottoman Bank.....	25,000	20	all
Provincial of Ireland.....	20,000	100	25
Do. New .....	4,000	10	all
South Australia .....	16,000	25	all
Union of Australia.....	40,000	25	all
Union of London .....	60,000	50	12
Unity Mutual .....	3,000	100	60

## FOREIGN BANKS.

International commerce and monetary transactions have, within the last few years, so much increased, that a short outline of the leading features of the principal foreign banks will be desirable.

**AMSTERDAM.**—The Bank of the Netherlands was founded in 1814 as a deposit and loan bank. It is the only chartered bank in Holland. The amount of its bullion has of late much increased. It is managed by a board of six directors.

**AUSTRIA.**—The National Privileged Bank of Austria was founded in 1816. It is partly under Imperial surveillance, and is partly managed by a committee. There is a governor and deputy-governor, appointed by Government, and twelve directors, proposed by the committee and ratified by the State.

**AUSTRIAN CREDIT BANK.**—This bank was founded in 1855 by private capitalists, with capital to the amount of 100 million florins, in 500,000 shares of 200 florins each.

**BAVARIA.**—The Royal Bank of Bavaria was established in 1780, but it is now regulated by a law passed in 1850. It is under the control of the Minister of Finance, and is chiefly engaged in exchange and loan operations.

**BELGIUM.**—The Bank of Belgium, since 1849, has ceased to be connected with the State, in which year it took shares in the National Bank of Brussels to the extent of £600,000. The National Bank of Brussels carries on ordinary banking business. It is

managed by a governor and six directors, the former nominated by the king.

**BRUNSWICK.**—The Ducal Loan Bank, established in 1765, has several branches, and is the credit institution of the State. The operations of the bank amount to some 20 million thalers annually. The net profits are paid into the public treasury.—The Bank of Brunswick, founded in 1853, is a bank of issue and exchange, managed by a council of administration.

**DENMARK.**—The National Bank of Copenhagen, founded in 1813, principally confines its operations to loans, discounts, public funds, and bank bills. It is also a bank of issue, and has two branches.—The Central Bank of Copenhagen is a small private bank of loan and deposit.

**FRANCE.**—The Bank of France ranks next in importance to that of England. Its operations and position are best estimated by the official monthly account which is published in the official journal, the *Moniteur*.—The Bank of Discount, at Paris, established in 1848, was extended in subsequent years. It is a joint-stock bank, dividing its profits among the shareholders, and publishing monthly accounts.

**HAMBURGH.**—This bank, established in 1619, is now exclusively a transfer bank under Government supervision. Its position is kept very secret. The Union Bank of Hamburgh, established in 1856 by eight mercantile firms of the city, carries on ordinary banking operations, and is making satisfactory progress.

**PRUSSIA.**—The Bank of Prussia, established in 1765, was modified in 1846, under the title of the New Bank of Prussia, and then engaged in the usual business of banks, besides being a bank of issue. It is under the surveillance of the State.

**RUSSIA.**—The Commercial Bank of St. Petersburg, founded in 1818, is a deposit, loan, and discount bank, under the surveillance of Government, possessing several branches.

**SARDINIA.**—The National Bank of Sardinia, was established in 1849, with a capital of £1,280,000, in 32,000 shares. Its operations include discounts, loans, deposits, and the issue of notes.

**SPAIN.**—The Bank of San Fernando, at Madrid, established in 1782, after passing through innumerable vicissitudes, has of late acquired somewhat more general confidence. It is intimately connected with the financial position of the Government, and varies accordingly.—The Bank of Barcelona, founded in 1844, is a loan and deposit bank, with power to issue notes. It is under Government surveillance.

**SWEDEN.**—The State Bank of Sweden, founded in 1656, operates in every kind of banking business. Its capital is 10 million thalers, the profits being paid into the Treasury.

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#### MINING SECURITIES.

Mining Securities cannot be considered a safe investment. They are liable to great risk, and the

parties who principally identify themselves with these transactions are not the most scrupulous in the performance of engagements. The following is the list of British undertakings recognized at the Stock Exchange :—

## BRITISH MINES.

MINES.	Number.	Share.	Amount paid.
Alfred Consols (Phillack) .....	5,120	...	2. 11. 10.
British Iron .....	20,000	20	16
Clifford .....	500	...	nil.
Devon Great Consols (Tavistock) .....	1,024	...	1
East Bassett (Illogan) .....	512	...	30
East Caradon .....	6,144	...	2. 14. 6.
East Wheal Russel (Tavistock) .....	4,000	...	7. 4. 0.
Grambler and St. Aubyn (Gwennap) .....	486	...	54 <i>4</i>
Great South Tolgus .....	6,000	...	17 <i>2</i>
Great Wheal Alfred (Phillack) .....	5,120	...	12. 13. 9.
Great Wheal Vor (Helston) .....	26,686	...	9 <i>4</i>
Grenville .....	6,000	...	5. 14. 6.
Herod's-Foot .....	1,024	...	8. 12. 0.
Hington Downs .....	6,000	...	4. 7. 0.
Lady Bertha .....	6,000	...	1. 8. 6.
Margaret (Uny Lelant) .....	896	...	9 <i>4</i>
North Downs .....	6,000	...	2 <i>4</i>
North Frances (Illogan) .....	2,500	...	11
North Wheal Bassett (Illogan) .....	6,000	...	5 <i>6</i> .
North Wheal Crofty .....	1,128	...	9. 18. 9.
Par Consols (St. Blazey) .....	6,400	...	1 <i>4</i>
Providence (Uny Lelant) .....	1,120	20	10. 6. 7.
Sorbridge Consols Mining Company .....	12,000	...	12 <i>2</i> .
South Caradon (St. Cleer) .....	512	...	1 <i>4</i>
South Carn Brea (Illogan) .....	6,000	...	3
South Devon Iron and Gen. Mining (Lim.) .....	65,000	1	all
South Wheal Frances (Illogan) .....	486	...	18. 18. 9.
Stray Park... .....	920	...	20. 18. 0.
Tamar Silver and Lead Mining Co. .....	9,600	5	4 <i>4</i>
Tin Croft .....	6,000	10	9
Vale of Towy (Carmarthen) .....	20,000	...	13 <i>4</i> . 6 <i>4</i> .
West Bassett (Illogan) .....	6,000	...	2. 4.
West Caradon (Liskeard) .....	1,024	...	5
West Seton .....	400	...	47 <i>4</i>
Wheal Bassett (Illogan) .....	512	...	5 <i>4</i>
Wheal Buller (Redruth) .....	256	...	5
Wheal Edward (Calstock) .....	4,096	...	6 <i>4</i>
Wheal Kitty (Uny Lelant) .....	1,024	...	1. 7. 2.
Wheal Mary Ann (Menheniot) .....	1,024	...	8
Wheal Trelawny (Liskeard) .....	1,040	...	6 <i>4</i>

The Foreign Mines are included in the following list :—

## FOREIGN MINES.

MINES.	Number.	Share.	Amount paid.
Australian.....	20,000	20	7 $\frac{3}{4}$
Bon Accord Copper, Limited .....	75,000	1	15s.
Brazilian Imperial (issued at £5 prem.) .....	10,000	35	27 $\frac{1}{2}$
Do. St. John del Rey, Limited .....	11,000	20	15
Do. Land and Mining Co. (Lim.) .....	10,000	5	all
Clarendon Cons. Mining Co. of Jamaica .....	80,000	1	5
Cobre Copper .....	12,000	40	all
Copiapo.....	10,000	..	16
Dun Mountain Copper Mining Co. (Lim.) .....	75,000	1	all
Fortuna (Limited) .....	25,000	2	all
General .....	20,000	20	all
Great N. Copper of S. Australia (Lim.) .....	80,000	2	1
Kapunda (Limited) .....	78,000	1 $\frac{1}{2}$	1
Linares .....	15,000	3	all
Lusitanian .....	10,000	5	2
Mariquita .....	103,815	1	all
N. Rhine Copper of S. Australia (Limited) .....	60,000	1	10s.
Pontgibaud Silver Lead Min. and Smelt .....	10,000	20	all
Port Philip .....	100,000	5	1
Scottish Australian (Limited) .....	80,000	1	10s.
United Mexican .....	43,174	28. 2. 8 $\frac{1}{4}$	all
Worthing (Limited) .....	30,000	1	all
Do. .....	40,000	1	19s.

Several descriptions of shares in these undertakings, both British and foreign, are quoted in the Stock Exchange List, and bargains negotiated through this channel will be regularly carried out. The outside dealers are not to be trusted under any circumstances, and more loss and disgrace is brought upon this branch of business through their malpractices than the failure of mines or the depreciation arising through mismanaged works. The rate of commission varies on these securities, and doubtful operators will misrepresent prices, with the express object of enhancing their individual profit.

## REGULATIONS OF THE LONDON STOCK EXCHANGE.

### RULES RELATING TO ENGLISH AND FOREIGN STOCKS, AND ALSO STOCK AND SHARES OF PUBLIC COMPANIES.

A member having sold stock or other securities, and transferred or delivered the same according to the tickets or directions given him by the buyer, has a right to demand payment of such buyer; but in case the seller does apply to the member whose name is on the ticket, and is either refused payment, or receives a cheque which is dishonoured, the buyer is not exonerated, but is liable to immediate payment.

Every member is entitled to demand payment of the difference of price between that marked on the ticket, and that at which he may have sold the securities, when the sale shall have been made below the price existing at the time of the ticket being tendered; or, if sold at a higher price than the existing price, he shall be entitled to receive up to the price of the day.

### RULES RELATING TO SHARES AND STOCK OF PUBLIC COMPANIES.

An offer to buy or sell a number of shares at a price named is binding upon the member making such offer as to any part thereof, provided that such part and the balance remaining be both marketable quantities; and an offer to buy or sell shares, when no amount is named, is binding on the person making such offer, to the amount of ten shares, if in value under £500, or a number not exceeding in value that sum.

*When shares or stock are delivered in blank transfer,*

the committee will not interfere in any question arising thereon.

All bargains in shares or stock when no time is specified, and all bargains made before twelve o'clock on "name" days, shall be considered to be made for the existing account.

Every member who has sold shares or stock, shall cause the same to be transferred at the price marked upon the ticket given him by the purchaser; but the seller shall not be compelled to take a ticket for stock or shares at a price not quoted in the authorized list during the account, unless the bargain represented by such ticket shall have been made within the two preceding accounts.

If a call has been made on registered shares, the seller is authorized to pay the same, although not due, and to claim the same of the purchaser.

Every member who has to take transferable shares or stock, shall pay the *ad valorem* duty, and all expenses attending the conveyance of the same; and shall state on the ticket the amounts in which he may desire to have the shares or stock transferred (provided no such amounts require a larger denomination of stamp than £9 10s.)—and the seller shall pay the increased expense incurred by any subsequent division of the transfer.

Every member who has purchased shares or stock, and passed a ticket for the same, shall be required, in the event of such ticket being divided, to pay for any portion of the shares or stock which may be presented, provided such sub-division is not less in number than ten shares, or in value than £200; and should the buyer, owing to such sub-division, have paid more for stamps or transfer fees than he would otherwise have been subject to, he shall receive the excess so paid from the party to whom the ticket was originally given.

Purchasers of stock or shares may refuse to pay for a transfer, unaccompanied by coupons or certificates, unless it be certified thereon officially that the said coupons or certificates are at the office of the company. But if the transfer presented be perfect in all other respects, the stock or shares must not be bought in until reasonable time has been allowed to the vendor to obtain from the office the verification required.

In the event of any question arising from the vendor having a larger coupon than the amount of stock conveyed, or only one coupon, representing stock conveyed by two or more transfers, the coupon may be deposited with the railway secretary of the Stock Exchange, who shall forward it to the office of the Company, and certify to that effect on the transfers, which shall then be a valid delivery.

All parties passing names for stock of railway companies whose shares have been converted into Consolidated Stock, and are so quoted in the authorized List, are required to pass names as stock and not as shares.

Every member who has to pay for stock or shares shall pass a name for the same before twelve o'clock on the ticket-day, either in the Stock Exchange or at the office of the seller, and in the event of his not doing so, should the stock or shares be sold out, the loss, if any, shall fall upon him : it is, therefore, required, if the ticket should not be so passed before twelve o'clock, that the person taking it should certify the same on the back thereof. The time for selling out shall be from half-past two to three o'clock ; and the person holding the ticket at two o'clock shall be responsible for the same, if sold out on that day, unless such ticket had not originally been passed before twelve o'clock ; but should the stock or shares not be sold out until the following day, then the person who held the

ticket at three o'clock the preceding day shall be liable, unless it had not originally been passed before twelve o'clock on the ticket-day. It is incumbent on every person passing a ticket to write on the back the name of the member to whom such ticket is passed. When the ticket-day is fixed for a Saturday, the time of selling out shall be from half-past one to two o'clock, and the person holding the ticket at one o'clock shall be liable.

The committee require that every person who receives a ticket "after two o'clock," or "after three," on the "name" day, shall notify the same on the back of the ticket, by drawing a line, or otherwise, in order to facilitate the tracing when shares are sold out: and any person neglecting to do so will be held responsible for any loss that may be incurred.

Every member dividing a ticket shall retain the original ticket, that access may be had to it, should any portion of the shares have been sold out; and any member who has passed on the original ticket shall be required to trace it in the event of any portion of the stock or shares having been sold out.

Any member who makes an alteration in a transfer ticket for stock or shares, or improperly detains the same, shall make good any loss that may occur thereby.

Tickets received on name-days may be left until one o'clock at the office of the seller.

When bargains have been made in shares or stock, and previously to their completion, the holder of such shares shall, by virtue of such holding, become entitled to a proportion of new shares or stock, it shall be competent to the buyer to give notice to the seller that he will complete the bargain forthwith, in order to avail himself of the opportunity of securing the new shares or stock; but if he shall not give such notice, he shall not be entitled to

them, unless an especial contract be made at the time of purchase ; and whenever parties have given continuation upon shares or stock, they shall be at liberty to require such bargain to be concluded, after sufficient notice, on repayment of the money advanced, unless the lenders agree to the delivery of the new shares or stock attaching to the old ones.

The committee will entertain no claim for new shares attaching to the purchase of old ones, unless notice of such claim shall have been made in writing : and will adjudicate no dispute arising out of the non-delivery of such shares, unless brought before them within ten days after the first settling-day appointed for the delivery of the same.

In the event of sales of shares which carry with them shares not yet issued, and which cannot be conveyed by the transfer of the old, the committee will, upon application, fix a price at which the new shares shall be settled ; and until the delivery of the new shares, the purchaser shall be entitled to deduct the amount of the sum so fixed from the purchase-money of the said old shares, or to reclaim it if already paid.

Any member not refusing an antedated ticket, when tendered as such, takes it with all its liabilities ; but if it be passed as an ordinary ticket, the liabilities must remain with the member putting such ticket again into circulation ; and any person holding an undated ticket for shares, shall not be liable for any loss arising from the shares having been bought in, if he can show that such ticket had not been ten days in his possession.

Every member who allows two days to elapse, without availing himself of his right to sell out shares or stock, for which he has not received a name, shall be considered as *having released* the buyer from all responsibility caused

by the failure of any party, through whose default the name was not passed.

When stock or shares are sold out, if a name be not given within half an hour after the time of sale, the transfer may be made into the name of the purchaser; and in cases where a name is guaranteed, the rule shall apply as if the stock or shares had been actually sold out.

Registered shares or stock, if not delivered within ten days, may be bought in against the seller, at or after twelve o'clock on the eleventh day after the date of the ticket, and all loss incurred thereby shall be paid by him; the broker employed to buy in the shares is required to give one hour's public notice before proceeding to make such purchase, and if the purchase be not made or attempted within half an hour after the expiration of the time fixed, the notice shall be cancelled. Shares which shall be so bought in shall be delivered not later than one o'clock on the following day, or may be re-purchased for immediate delivery without further notice, and the loss, if any, be paid by the party causing such re-purchase; and in the event of there being a profit on the transaction, it shall be paid to the treasurer of the fund for decayed members.

Every member who allows fifteen days to elapse without availing himself of his right to buy in registered shares or stock, shall be considered as having released the seller from all responsibility caused by the failure of any party through whose default the shares or stock were not delivered, unless it shall appear that the exercise of such right has been waived at the request of the seller. The right to buy in shares or stock is limited to the member whose name is on the ticket to pay.

On every ticket-day the clerk of the foreign-market shall fix the prices of shares at three o'clock (with the con-

currence, if necessary, of any two members of the committee), at which prices all accounts shall be made up, and the differences paid in the usual way.

No person shall be required to pay for registered shares or stock presented after half-past two o'clock; or after half-past one o'clock on Saturdays.

The committee will not take cognizance of any bargain in stocks or shares if it shall have been effected for any period beyond the end of the ensuing two accounts.

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Shares in foreign companies, the certificates of which are required for payment of calls or receipt of interest, dividend, or bonus, shall not be brought in while the certificates are known to be out of the control of the seller. Should any question arise as to the exact time for the delivery of shares so circumstanced, the committee, on being applied to, will fix a day on which they may be bought in.

The dealings in all shares shall be ex-dividend or ex-interest from the beginning of the account following that in which the dividend may have been declared, or the interest have become due.

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In all bargains in Exchequer Bills it is understood that the contract is for bills not filled up to order, unless otherwise expressed at the time of making the contract.

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Foreign stock bought for any specified day, and scrip shares for any day except the account-day, which shall not be delivered at or before half-past two o'clock on that day, may be re-purchased, through the medium of a broker, before three o'clock on the same day, or on any subsequent day ; and any loss or charge incurred thereby shall be paid by the original seller.

But no foreign railway or other scrip shares shall be bought in on a settling-day, the buying-in being restricted until after twelve o'clock of the then following day ; the loss, in such cases, to fall against the person who shall not have delivered the shares at three o'clock on the settling-day. Any person who shall be found not to have taken the numbers of scrip shares so bought in shall be required to trace out the responsible party.

English omnium or scrip, not paid in full, must be delivered at or before two o'clock.

A member who has sold foreign stock or scrip shares, for a particular day, which the buyer is not prepared to pay for by half-past two o'clock on that day, may re-sell the same through the medium of a broker, and claim of the original buyer any loss or charge incurred thereby.

The committee will not take cognizance of any bargain done in foreign stock or scrip shares for a future account, if it shall have been effected for any period beyond the end of the ensuing two accounts.

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No bond or scrip share can be returned on account of imperfection if kept a longer period than three days from the day of delivery, unless it can be proved that the party passing it was aware of its being imperfect.

No member shall be required to pay for foreign stock or scrip shares presented after three o'clock, or after two o'clock on Saturdays.

The clerk of the foreign market shall, at twelve o'clock on each of the two days preceding each foreign settling, fix the making-up prices of all foreign stocks and scrip shares, by taking the then actual market prices : and no making-up shall be binding unless at such fixed prices.

All bargains made in foreign stocks or scrip shares, when no time is specified, shall be considered as being made for the existing account.

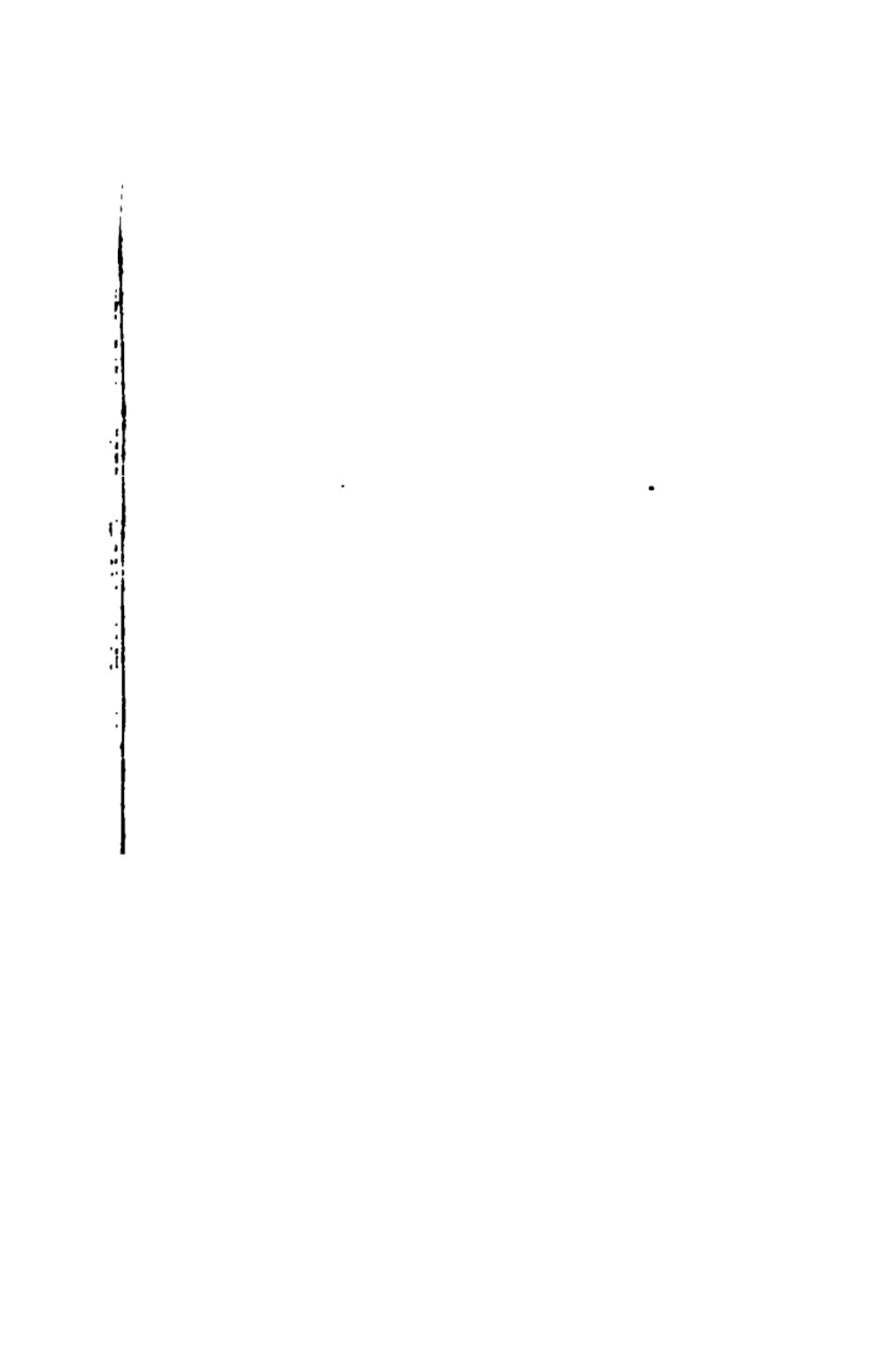
Bonds of British railways or British American railways, the dividends on which are payable in England in pounds sterling, shall be dealt in with interest from the day of delivery, and the accrued interest paid by the buyer ; but

in railway bonds of the United States of America, and of all other foreign railways, the accruing interest shall be included in the price.'

A member who allows three days to elapse without availing himself of his right of buying in, or without attempting to buy in, scrip shares or bonds, shall be considered as having released the seller from any responsibility arising from the failure of any party through whose default the shares or bonds were not delivered, unless it shall appear that the exercise of such right has been waived at the request of the seller.

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